Perspectives and Performance of Investors in People: A Literature Review

Evidence Report 24
November 2010

UKCES
UK COMMISSION FOR
EMPLOYMENT AND SKILLS

Perspectives and Performance of Investors in People: A Literature Review

Rosie Gloster, Freddie Sumption, Tom Higgins, Annette Cox

Institute for Employment Studies

Rebecca Jones

UK Commission for Employment and Skills

Foreword

The UK Commission for Employment and Skills aims to help raise UK prosperity and opportunity by improving employment and skills levels across the UK, benefiting individuals, employers, government and society. Research plays a fundamental role in the work of the UK Commission as we provide impartial analysis on the scale and extent of the UK's skills needs and demands. To provide an authoritative evidence base, our research is robust and transparent; rigorous in its design and execution; based on a common framework of labour market analysis; informed by reviews of best practice; and draws on international benchmarking and analysis.

Sharing the findings of our research and policy analysis and engaging with our audience is very important to the UK Commission if we are to achieve our aim. Our Evidence Reports are our chief means of reporting our detailed analytical work, ensuring transparency. Other products include accessible summaries of these reports; Briefing Papers and Praxis papers. All our outputs are accessible in the Research and Policy pages at http://www.ukces.org.uk/our-work/research-and-policy.

In April 2010, the UK Commission took over strategic ownership of the Investors in People (IIP) Standard. This evidence review seeks to develop a deeper understanding of how IIP is perceived by a range of interested partners and provide evidence of the impact of the Standard on the businesses which are accredited. The review provides the UK Commission with a consistent narrative on IIP to date, which will inform our development of an IIP Strategy, repositioning the Standard as the improvement tool of choice for businesses seeking to grow through the acquisition and use of skills and through joint enterprise between employers and employees.

We hope you find this report useful and informative. We welcome feedback and input to our evidence base and this can be provided via our pages at the website address above.

Professor Mike Campbell

Director of Research and Policy Directorate

Lesley Giles

Deputy Director of Research and Policy Directorate

Acknowledgements

Table of Contents

Table of Graphs and Charts

Executive Summary

Introduction

Investors in People (IIP) has notably formed part of the skills policy landscape over the past 20 years and enjoys strong levels of awareness through its 'Superbrand' status (Superbrands, 2010). IIP was developed in 1990 and set out a national framework to link the process of setting business objectives with staff development to improve business performance. Over its lifetime the IIP Standard has been revised. Most recently, in 2009, the New Choices approach added Gold, Silver and Bronze awards to organisations that are assessed to be over and above the core IIP Standard and provided a flexible approach to the delivery of the Standard, based on the organisation's business objectives. Whilst the Standard is consistent, IIP differs across the UK nations in terms of policy profile, performance and delivery structure.

In April 2010 the UK Commission took over strategic ownership of the IIP Standard from IIP UK and is developing an IIP strategy. The IIP strategy will consider the role and contribution of IIP to enhance the effective development and deployment of skills in the workplace

The aim of this evidence review is to develop a comprehensive, objective understanding of the perspectives and performance of IIP as a business tool and policy instrument to inform this strategy. A structured approach to searching, sifting and reviewing the available evidence was used.

The research and evaluation evidence about IIP has been undertaken by different groups, including IIP UK and academics, who have had differing agendas and areas of research interest. This literature review is an attempt to bring these sources together to develop an overarching picture of IIP. Some of the findings are inconsistent with each other. This review presents all of the evidence and attempts to apportion appropriate weight to each of the findings based on their respective methodologies.

Employer commitment and accreditation

IIP has a very high profile amongst businesses, with around 9 in 10 of business establishments aware of IIP when asked. As of March 2010, approximately 6,316,000 people (26 per cent of the workforce) were employed in an IIP accredited organisation. There are approximately 25,000 IIP accredited accounts. The number of organisations committing to IIP and being IIP accredited peaked alongside the Small Firms Initiative (SFI) in England. The most recent data (2009) shows that the number of IIP accounts is now slightly lower than it was prior to the SFI and the number of organisations committing to IIP has also fallen.

The fall in the number of IIP accredited organisations has been influenced by an increase in the proportion of IIP committed accounts that do not become accredited within three years – in essence 'dropping out' of IIP between commitment and accreditation. Over the last ten years it has become more common for IIP accreditations to be renewals (i.e. IIP organisations re-accrediting) than new recognitions (i.e. organisations accrediting for the first time). IIP is attracting fewer new organisations than it has in the past which is the largest contributing factor to the overall fall in IIP accounts.. These trends could be attributed to changing policy positioning and delivery of IIP, as well as the effects of the recession on employer training budgets.

Variations in IIP engagement

Large organisations are more likely than small organisations to commit to IIP. A number of reasons may account for this pattern in take-up relating to size, including awareness and understanding of the Standard and its perceived relevance to the organisation.

The level of engagement with IIP also differs by sector. Public sector and voluntary organisations are more likely to commit to IIP and gain accreditation than private sector organisations. The UK Commission's Employer Perspectives Survey (2007) found similar, though less pronounced, patterns of engagement in this respect with the ISO standard. This suggests that the issues around engaging organisations with a voluntary quality initiative may not be unique to IIP.

The literature suggests that other reasons for the variation in take-up of IIP between organisations relate to business attributes and ambitions, such as the organisation's culture and approach to training, and the organisation's growth ambitions.

Reasons for IIP engagement

The majority of research has found that employers are motivated to engage with IIP by perceived business goals and benefits, such as the desire to improve organisational performance, to manage change or in response to demand from their customer base. The weight appears to have shifted slightly over time from anticipation about benefits associated with training to more general business improvement. Other research claims that the decision to engage with IIP may be about public image of the organisation, where organisations want the badge, or the personal motivations of individuals, who for example, want to be the member of staff that secures IIP for their organisation. The impact of subsidy has not been well researched but an initial mapping of data on commitments against timing of the availability of public subsidy would suggest that a subsidy could have been an influencing factor. One such example of this is the impact of the Small Firms Initiative (SFI) in England. The data suggests that the SFI had a significant, but not necessarily sustained effect upon take-up of the IIP Standard in England. Numerous research projects have concluded that lack of time, cost and perceived bureaucracy are among the main barriers to IIP take-up.

The process of gaining IIP

There is evidence to suggest that some organisations find IIP easier to achieve than others. In part this relates to the extent to which they already have the relevant mechanisms and processes in place prior to committing to IIP. In the early days of IIP there seems to have been more 'badging' of existing practice than is currently the case, as the majority of organisations currently going through the process of acquiring the Standard report that they find it challenging.

Data for 1999 to 2009 shows that the number of organisations failing to meet the Standard at assessment is small and has remained so for the last ten years. However, the number of organisations 'walking away' after accreditation and not seeking re-accreditation has increased over the same time period. There has been less research exploring the reasons why organisations decide to renew their IIP accreditation and retention of existing IIP organisations is now a key challenge to maintain the coverage of IIP.

The impact of IIP on organisational performance

There is evidence that IIP has a wide range of organisational impacts, but that these can differ from one organisation to another reflecting organisational characteristics and motivations for undertaking IIP for example. Several reports have shown that operational performance in IIP accredited workplaces is more effective than in non-accredited workplaces. IIP has strong links to models of high performance working and research suggests accreditation might lead to improved organisational performance by encouraging firms to invest in their workforces and adopt more sophisticated processes.

Research has also explored whether and how IIP accredited organisations might perform better financially. Quantitative studies have attempted to measure the effect of IIP by using accounts information on profits and turnover to identify the effect of IIP accreditation on the bottom line. The limited evidence suggests that IIP can have a positive effect on the financial performance of organisations, but more research into this would be useful.

Employees' perspectives on IIP

Employees' perspectives on IIP have not been the main focus of existing research. The literature has focused on changes to employee understanding of the business as a result of IIP, and how IIP has affected employee access to training. There is a body of evidence that suggests linking training and development to organisational performance can reduce access to training for some staff and particularly to the types of activity that have a long-term focus. Managers are also more likely than non-managerial staff in IIP organisations to access training.

Policymakers' perspectives on IIP

The review of policy literature highlighted two main sets of rationales for IIP: one that sees IIP primarily as a tool for policy makers and another that sees it as a tool for businesses. For the most part, IIP has fallen somewhere between these two, and the emphasis has varied between UK nations and over time. Where policy makers have considered targeting IIP at specific organisations, the focus has commonly been small- and medium-sized organisations (SMEs).

Stakeholders' perspectives on IIP

In a recent document the Confederation of British Industry set out their commitment to IIP. IIP has also enjoyed support from the unions. The TUC and IIP UK created a joint memorandum of understanding to work together to promote the IIP framework and the role of unions in workplace learning. Overall, there is mixed understanding among various stakeholders of the main purpose of IIP and whether it is primarily a training tool, a business development tool, or a combination of both..

Conclusion

The findings of this literature review present some key issues in relation to IIP:

- Having existed for 20 years, IIP has longevity as a brand and is well known among employers, employees and policy-makers alike;

- Levels of policy support for IIP has varied across UK nations over time, with apparent impact upon accreditation rates;

- Accredited employers are generally positive and favourable towards IIP. Positive impacts have been reported across a range of organisational performance indicators. However barriers to wider accreditation remain, including cost, time and a perceived lack of benefits on completion of the Standard;

- There are consistent variations in take-up of IIP by size and sector in particular, although these trends are not unique to IIP. Some organisations appear to be especially difficult to engage with voluntary measures such as IIP, but could potentially gain the most;

- There would appear to be many reasons why employers work towards IIP, and indeed many different starting points in terms of current business development or staff development practices. This may well have contributed to variations in the assessments of impact of the IIP Standard. If IIP is to be preserved and enhanced IIP as a flexible, business-focussed tool means this variation is inevitable;

- Recent years have seen a decline in IIP take up. It is not yet clear whether this is the result of the recession and firm's tightening spending, changes in IIP policy and delivery, or whether this is indicative of a longer-term trend. This fall can be explained by a combination of a reduced inflow, increased drop out between commitment and accreditation, increased outflow;

- There is also a mixed understanding among other stakeholders of the primary purpose of IIP and whether it is a training tool or business development tool or both and this is reflected in policy statements. The UK Commission is developing a strategy for the future of IIP as a policy and a business-focussed tool: the findings of this literature review form an important contribution to that strategy;

- Additionally, the review has identified inconsistencies in evidence and a lack of a consistent approach to evaluating IIP and the UK Commission is also developing an evaluation strategy to ensure continuous improvement of IIP in the longer term.

1 Introduction and Background

1.1 Investors in People in the UK

Investors in People (IIP) was developed in 1990 by the National Training Task Force, with expert input from stakeholders, to set out a national framework aiming to link the processes of setting business objectives with staff development to improve business performance. The framework indicators were developed from an examination of the internal practices of some of the UK's leading companies (Claytor, 2001).

With a lifespan of 20 years, IIP is one of the most enduring features of UK training policy, which is notable in a field where training initiatives are often short-lived (Bell et al., 2004). This is, in part, due to its voluntarist principles which sit well within the UK's deregulated labour market. However, longevity in itself will also have contributed to IIP acquiring a recognised 'brand' among employers.

In April 2010 the UK Commission took over strategic ownership of the IIP Standard from IIP UK. The UK Commission will be responsible for the development of IIP policy and its strategic direction and for awarding licenses to organisations to deliver the IIP accreditation process in England. In the first year of having strategic ownership of IIP the UK Commission will develop a strategy for the development and longer-term implementation of IIP policy.

The challenge is how best to harness IIP to support the achievement of *Ambition 2020's* goals (UKCES 2009a). *Ambition 2020* is the annual report against the 2020 ambition for the UK to be a world leader in skills and employment. The three strategic priorities identified in *Ambition 2020* relating to the UK Commission are:

- Priority 1: Building a more strategic, agile and demand-led employment and skills system.

- Priority 2: Maximising individual opportunity for skills and sustainable employment.

- Priority 3: Increasing employer ambition, engagement and investment in skills.

The IIP strategy will be aligned to the UK Commission's strategic plan. The current five year strategic plan (covering 2009-2014) identifies actions to work towards employer ambition and this includes using national and international standards for assessing employer management of staff, such as IIP, to drive up excellence in organisational

ambition and performance with respect to attraction, retention and deployment of human capital through competitive benchmarking. The current key performance indicator of progress towards this ambition is the percentage of the workforce employed by IIP accredited organisations (UKCES, 2009b).

1.2 The development of the IIP Standard over time

IIP UK (the organisation which until April 2010 had responsibility for promoting and developing IIP) made a number of revisions to the Standard over the years. The main points at which changes were made are shown in the timeline below.

Figure 1.1: IIP development over time
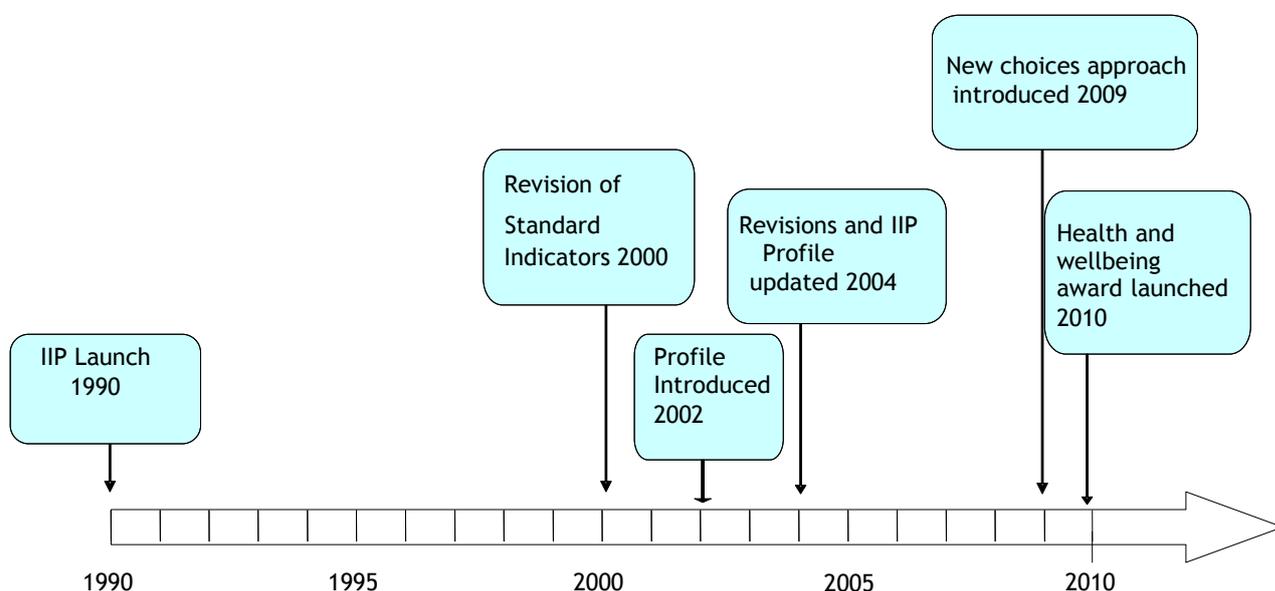
Source: Institute for Employment Studies, 2010

The first major revision was the launch of the Plain English version of The Standard was introduced in 2000, with greater emphasis on performance, was launched in April 2000. It also was more outcome-focused, so less prescriptive and had less duplication than previously.

The first phase of a more stretching version of The Standard, the Profile Tool was launched in 2002. It has three indicators: 'Developing our strategy', 'Implementing our strategy' and 'Developing our people'.

Updated versions of The Standard and Profile were launched in 2004. Both tools are given the same 'Plan, Do, Review' structure to aid continuous improvement, plus the same 10 indicators. The new version of The Standard has more stretching criteria on leadership and management strategy and management effectiveness particularly. Employers are now required to demonstrate that their managers have the capabilities they need to lead, manage and develop their people effectively. The new version of Profile goes broader and deeper than The Standard with additional requirements on organisational values, recruitment and selection, work life balance, social responsibility, the use of coaching and mentoring and inspirational leadership.

The New Choices approach was launched on 6 May 2009. This encompassed four main changes. Firstly employers can now have their advice and assessment tailored to focus on their chosen business priorities. The Standard and Profile were now presented as one framework and employers can now select which criteria they want to focus on beyond The Standard – selecting those that are most relevant to achieving their priorities. And finally Bronze, Silver and Gold recognition was introduced to reward those who worked beyond The Standard.

The Health and Wellbeing Good Practice Award was introduced in March 2010 to enable employers to develop a more strategic approach towards the health and wellbeing of their people.

1.3   The delivery structure for IIP across the four UK nations

The delivery infrastructure for IIP differs between the four nations of the UK. Previous research has noted that employers and policy makers in Northern Ireland have engaged particularly strongly with IIP (Cox et al., 2009). In Northern Ireland IIP sits within the Department for Employment and Learning (DELNI), and links to their management and leadership development strategy under a programme called Management Analysis and Planning (MAP). MAP is a diagnostic assessment aimed at small- and medium-sized organisations against the IIP Standard. Following this assessment, IIP commitment and accreditation may be recommended. DELNI offers a financial subsidy to private and voluntary sector organisations with fewer than 250 employees to support the assessor costs of their first IIP assessment. There is no subsidy available for re-accreditation.

In Wales, IIP structures are similar to those in Northern Ireland. IIP sits within the devolved government and is linked to other business support initiatives, primarily the Workforce Development Programme (WDP). The WDP is a holistic programme of

business support delivered by Human Resource Development advisors who give organisations advice and support to access training opportunities and funding. The WDP is driven by the economic development agenda in Wales and aims to provide an effective way of meeting employers' specific business needs. Targeted subsidy covering half the costs of IIP assessment is available to organisations with fewer than 250 employees. The same funding is available for re-accreditation.

In Scotland IIP is delivered via Investors in People Scotland, a subsidiary of Scottish Enterprise and Highlands and Islands Enterprise. Highlands and Islands Enterprise provides part-funding for a member of staff to act as a point of reference for businesses on Investors in People. Scottish Enterprise has financial support available for businesses that do not hold IIP and who their Scottish Enterprise account managers believe could benefit from implementing it. These organisations are offered a fully funded initial assessment and action plan, up to 50 per cent of the costs of implementation support and, up to 50 per cent of the costs for the final assessment.

In England IIP currently operates independently and delivery is provided separately from other business support services. There is no subsidy or funding attached. However, both funding and subsidy and delivery arrangements have changed over time. When IIP was launched the delivery and assessment services were provided by the Training and Enterprise Councils (TECs) alongside funding to support IIP accreditation. The extent of financial assistance varied between TECs, with some offering a maximum contribution of 50 per cent, with lower rates depending on the organisation's size or sector, whereas other TECs offered 50 per cent subsidy of IIP costs universally (Claytor, 2001). Further targeted subsidy was provided from 2002 to 2005, via the Small Firms Initiative, which is discussed in more detail later.

1.4   Definitions

Organisations may be at one of several different stages in the IIP process. Throughout this report the following terms relating to the IIP process are used and are defined as follows:

Committed: An organisation is IIP committed when it has developed an action plan and/or strategy which defines how it is going to implement Investors in People.

Accredited: An organisation is IIP accredited when it has demonstrated through assessment that it meets fully all the principles, indicators and evidence requirements of

the IIP Standard. Recognition can last up to three years with the possibility of a three month extension in exceptional cases.

Re-accredited: An organisation is re-accredited when they demonstrate the organisation meets the principles, indictors and evidence requirements of the IIP Standard for the second, third, fourth time, etc.

1.5   Research aims and objectives

The aim of this project is to develop a comprehensive, objective understanding of the perspectives and performance of IIP as a business tool and policy instrument. The report will inform work towards the UK Commission priorities and the development of the IIP strategy.

The research objectives are to:

- Examine the take-up of IIP, the patterns of participation by organisation size, sector and nation, and trends over time.

- Present the research evidence about how employers use IIP compared to two other business development tools, ISO and EFQM.

- Examine the perceptions of a range of stakeholders about IIP (including government, employers and employees), and any change in these perceptions over time, including how these relate to revisions to the IIP Standard.

- Synthesise the evidence about the impact of IIP, for employers, employees, policymakers and other stakeholders, including any change over time, and identify any links with the revisions to IIP.

1.6   Methodology

The research and evaluation evidence about IIP has been undertaken by different groups, including IIP UK and academics, who have had differing agendas and areas of interest. This literature review is an attempt to bring these sources together to develop an overarching picture of IIP.

The review used a structured methodology to search for, sift and review the evidence. This involved first defining the terms and scope of the review, and then developing a search strategy and sift criteria. To supplement the searches, three interviews about changes to IIP and current priorities were conducted with UK Commission staff.

Interviews about public funding for IIP were undertaken with staff in the Department for Children, Education, Lifelong Learning and Skills in Wales, and the Department for Learning in Northern Ireland. Written information about funding for IIP in Scotland was provided by Highlands and Islands Enterprise and Scottish Enterprise.

A range of websites and academic databases were searched for relevant literature (see Appendix for more detail). The searches were limited to documents published in and after 1999 (when revisions were made to the Standard), and to those covering IIP in the UK. The results of the searches were sifted for relevance using both content and methodological criteria (see Appendix for full detail). The robustness of the methodologies used has been taken into account when presenting the evidence and apportioning weight to the findings. For example, case-study research based on one organisation, that does not clearly illustrate how IIP affects the organisation would be given less weight than analysis of representative surveys of employers.

Fifty reports were reviewed in full using a review proforma that was based on the analytic framework developed to synthesise the data and provide an opportunity for easier systematic identification of any gaps in the evidence base (see Table 1.1).

Given the time lag required to implement changes and then to publish evaluation and research literature, the recent New Choices approach, and its relative merits, have not yet been evaluated. In presenting the findings we have tried to note the period of IIP to which the evidence relates and where any issues raised may have been addressed by subsequent changes to the Standard.

Table 1.1: Analytic framework

Type of IIP Stakeholder	Evidence of Perspectives on Levels of Engagement with IIP (inc. changes over time)	Evidence of Perspectives on Process of Gaining IIP Accreditation (inc. changes over time)	Evidence of Perspectives on Impact of IIP (inc. changes over time)
Employers	Measures of commitment, accreditation and re-accreditation over time, by size, sector (public/ private: manufacturing/services etc.), geography. Evidence of trends and reasons for them. Reasons for engagement (including customer service/supply chain etc.) and reasons for not engaging (ie recognition of informal training, links between IIP and organisational need). Engagement (commitment/ (re)accreditation) of businesses experiencing change compared to other businesses. Engagement of organisations with well-established training programmes compared to others. Engagement with IIP compared to other business development tools (EFQM and ISO). Reasons why organisations commit to IIP/their expectations: marketing device or tool for change.	Perceptions of engagement and delivery methods including business support services. Responsiveness of IIP to organisational need. Evidence of whether changes in the Standard & accreditation process have affected the degree of challenge or *perceived* degree of challenge of achieving IIP. Extent to which committed organisations are (re)accredited and reasons for any changes over time.	Training: volume, type, kind of employees targeted. Other measures of performance outcomes: a) Employee attitudes, behaviour, turnover, commitment. b) Operational performance indicators (activity and outputs): product/service quality, productivity, staff attendance, management practices, capacity to manage innovation/change. c) Business outcomes: profit/efficiency, shareholder value, customer satisfaction/complaints. Variations in impact by organisation type (size/sectors), stage of development of an organisation (diversifying/expanding) and product market strategy (cost/quality/ innovation). What is the extent of any self-selection effect? How do we control for it when assessing impact?
Employees	Understanding of the purpose of IIP in theory and practice.	Involvement in and perceptions of process of gaining IIP; eg views on consultation concerning business strategy, training needs analysis, appraisal, experience of training etc.	Long-term impact on individual outcomes: pay, training, promotion.

Type of IIP Stakeholder	Evidence of Perspectives on Levels of Engagement with IIP (inc. changes over time)	Evidence of Perspectives on Process of Gaining IIP Accreditation (inc. changes over time)	Evidence of Perspectives on Impact of IIP (inc. changes over time)
Policy makers	Rationale for IIP – does this vary over time and by nation? Target organisations to engage: focus on increased participation in sectors with high take-up versus break into new sectors. Variation by nation. Promotion of IIP, including synergy with other policy levers (eg Skills Pledge, TtG, tax breaks, R&D incentives). Variation by nation. Use/views of legal obligation to achieve accreditation in some circumstances. Variation by nation.	Changes made over time to delivery and support for IIP. Responsibilities and roles (regional and national). Consistency of approach and implications for the Standard.	Evidence of contribution to policy goals, agendas and PSA targets? Centrality of IIP to employment and skills policy (language used/presence or absence/frequency of mentions). Evidence of interaction with other skills initiatives (ie Train to Gain, LMAS etc.).
Stakeholders (I): trade unions, employer representative organisations, SSCs	Degree of favourability of perceptions towards the Standard. Variations by stakeholder and location.	Views on delivery mechanisms.	Evidence of any change in degree of endorsement provided to IIP to influence members/employers.
Stakeholders (II): delivery centres, business support services	Centrality of IIP to offer relative to other business support services. Use of other initiatives/services to promote IIP take-up.	Perceptions of changes to the Standard and delivery framework and effect on ease/difficulty of supporting organisations to gain accreditation.	Impact of changes to IIP on performance metrics related to provision of support services.

1.7   Report structure

The remainder of this report is structured as follows.

Chapter 2 presents the findings from the literature review that relate to employers. First it looks at employer take-up of IIP, their reasons for engagement, and views on delivery and the impact on their organisation.

Chapter 3 presents the findings that relate to employees' and their views and experiences of IIP.

Chapter 4 presents the findings that are relevant to further stakeholders, such as trade unions and business support organisations.

Chapter 5 presents a summary of the evidence and gaps in research.

The Appendix includes further details of the methodology, including the search and sift criteria, and the review proforma.

2 Employers' Perspectives on IIP

This section presents the findings about employers' perspectives on IIP. First employer engagement is discussed, followed by consideration of the barriers and enablers of engagement, then employer perceptions of the process of engagement with IIP, and finally the impacts of IIP for employers. Compared to other perspectives, the views of employers and the impact of IIP on organisations have been fairly well researched.

2.1 Employer engagement with IIP

The table below details the areas of the analytic framework and evidence base covered in this section.

Table 2.1: The analytic framework: Employer engagement with IIP

Stakeholder	Evidence of Perspectives on Levels of Engagement with IIP
Employers	Measures of commitment, accreditation and re-accreditation over time, by size, sector (public/private: manufacturing/services etc.), geography. Evidence of trends and reasons for them.
	Reasons for engagement (including customer service/supply chain etc.) and reasons for not engaging (ie recognition of informal training, links between IIP and organisational need).
	Engagement (commitment/(re)accreditation) of businesses experiencing change compared to other businesses.
	Engagement of organisations with well-established training programmes compared to others.
	Engagement with IIP compared to other business development tools (EFQM and ISO).
	Reasons why organisations commit to IIP/their expectations: marketing device or tool for change.

Source: IES, 2010

This section explores employer awareness, commitment, accreditation and re-accreditation with IIP. The take-up and coverage of IIP can be measured through either the number of employers, or the number of employees in organisations, who are IIP committed or accredited.

There are three main sources used in this review to measure the IIP customer journey: 'Investors in People Performance Tracking Research' (Ipsos MORI, 2010); 'Employer Perspectives Survey' (2007); and IIP Monitoring Information (MI data). There are some points to take into consideration when reviewing these data:

The MI data is subject to variation over time due to the way in which companies register interest, and then work towards and gain the Standard. For example, a company, operating from a number of different sites might register as one company or as a number of different sites. Additionally, single sites may have a number of different departments which register individually. Thus, within the MI data, an *account* might be a company, establishment (single site) or department and this may vary over time for an individual organisation. This variation means it is not possible to report a proportion of employers covered using the MI data, but, because the number of employees is collected and is not affected by how the account is recorded over time, this can be reported as a number and proportion. There have also been variations in the way the data has been collected and collated over time, whilst data is available back to 1990, data is more accurate from 2000 onwards (since the IIP centres came into existence).

The main survey of employers used in this section is the *Employer Perspectives Survey*[1]*,* in which employers are defined as 'establishments', i.e. individual location. This consistent definition allows us to report the *proportion* of establishments covered by IIP. It is reliant on the recall of the respondent, but as the respondent is the person responsible for HR issues, one would assume a high level of accuracy*.* The survey has been conducted in 2003, 2004, 2005, 2007 and 2010 with around 13,500 respondents to each survey.

The findings of the IIP Tracking Survey (Ipsos MORI, 2010) are also discussed, which uses 'organisation' as its unit of analysis for employers. The tracking survey consists of 6,786 interviews of randomly selected organisations over a four year period. 1,200 organisations were interviewed for the latest wave of research.

Thus, while none of the sources are comparable, where appropriate, they are drawn upon to try to explain trends and patterns in employer commitment and accreditation.

2.1.1   Awareness of IIP

The IIP Tracking Survey (Ipsos MORI 2010) has measured prompted awareness from 2006 and found consistently high awareness amongst employers, varying from 88 per cent to 92 per cent. Unprompted IIP awareness was reported to be 34 per cent as of March 2010. Smaller organisations and those within Finance, Transport/Distribution and Property Management have lower levels of awareness of IIP.

---

[1]   Published as the Employer Perspectives Survey in 2008, this was previously published as the Skills for Business Survey, providing comparable data back to 2003.

The Tracking Survey (Ipsos MORI, 2010) also explored familiarity with IIP. One-fifth (22 per cent) of organisations aware of IIP knew it very well, 32 per cent knew a fair amount and 27 per cent knew a little about IIP. Overall, levels of familiarity were consistent with the previous survey.

Those organisations that say they understand IIP identify several different functions for the Standard. When asked what IIP is, the most common employer responses in the IIP UK Tracking Survey (Ipsos MORI, 2010) were:

- a formal structure/standard for improving skills/training (18 per cent)

- training and investing in staff (17 per cent)

- an award to recognise staff development (10 per cent)

- companies looking after/valuing their staff (8 per cent)

- developing business through staff (8 per cent).

The majority of respondents (60 per cent), as in previous years in which the survey was undertaken, provide answers that can be coded together as an understanding of IIP to be 'a business improvement tool'. This increased from 47 per cent of responses in the 2006 survey. A quarter of employers gave a response that could be coded to IIP 'encouraging employers to train their staff' (at 23 per cent), whilst almost one in five (18 per cent) understand IIP as 'increasing business efficiency' (Ipsos MORI, 2010).

IIP undoubtedly has a high profile amongst businesses and is independently recognised as one of the UK's top business 'Superbrand' but how does that translate to commitment and accreditation?

2.1.2 Overall commitment and accreditation

IIP MI data shows that as of 31 March 2010, there were just over 25,000 accredited IIP accounts in the UK and approximately a further 4,200 accounts that were committed to IIP.

In terms of employees, the MI data shows that as of 31 March 2010, around 6,316,000 people were employed in an IIP accredited organisation, 26 per cent of the UK workforce. This is calculated using Labour Force Survey data for the total number of employees. A further four per cent of the UK workforce was employed in organisations that were committed to achieving IIP. The MI data shows the total number of UK employees working

in an IIP accredited organisation has fallen in recent years, by 786,000 between 2007 and 2009.

This decline is mirrored in the number of IIP accredited organisations. The total number of accounts each year becoming IIP accredited or re-accredited was highest between 2002 and 2005 (Figure 2.1).

Figure 2.1: Total number of UK organisations receiving IIP (re)accreditation
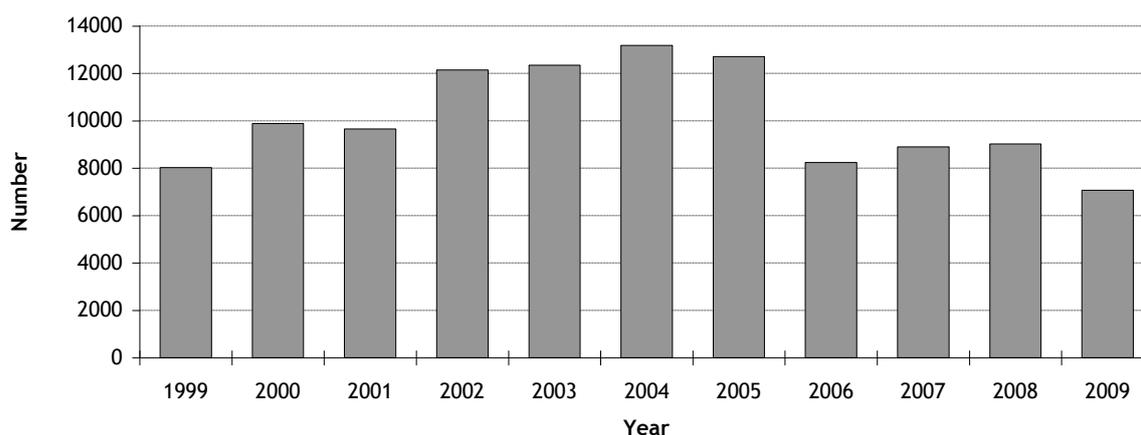
Source: IIP MI data

The Employer Perspectives Survey (EPS) data also shows a decrease in accreditation in measuring the *proportion* of establishments accredited. The EPS tracks a decline from a peak in 2005 of 21 per cent of all establishments accredited to 10 per cent in 2010. The EPS data is consistent with the MI data in showing a peak in the mid 2000's and subsequent decline. It is possible that the Small Firms Initiative in England may be behind these trends. The Small Firms Initiative was a £30 million programme from 2002 to 2005 in England, designed to encourage the take-up of IIP by small firms with between 5 and 49 employees. Small firms were offered £1,250 worth of business support to help them pursue IIP. A total of 20,164 commitments were achieved under the Small Firms Initiative (York Consulting, 2005). This subsidy appears to have had an impact on accreditation, although no research has been undertaken to fully understand the impact of the programme on short- or long-term engagement. Additionally, the onset of the recession in 2008 might also be presumed to have had an impact on employer engagement with schemes such as IIP, as may changing policy positions on IIP. Thus there are potentially a number of complex factors behind the recent decline, which may not prove to be reflective of a long-term trend.

2.1.3 From IIP commitment to post-accreditation

The MI data shows there has been an increase in the proportion of IIP committed accounts that do not go on to become accredited in a three year period – in essence 'dropping out' of IIP between commitment and accreditation. Figure 2. shows the proportion of IIP accounts committing in any one year that had not gone on to achieve IIP recognition three years later. There is a notable peak in 2004 and 2005 driven by high numbers of small businesses not converting, coinciding with the time of the Small Firms Initiative (SFI). The design of the SFI estimated a drop-out rate of approximately 10,000 organisations between commitment and accreditation, so this is perhaps to be expected (York Consulting, 2005). Analysis of IIP MI data indicates that the SFI decreased the proportion of accounts that converted from commitment to accreditation. The proportion of accounts not converting from commitment to accreditation within three years drops between 2005 and 2006, but then continues a broadly upward trend, which applies across all business sizes.

Figure 2.2: Proportion of commitments not converting by business size, UK
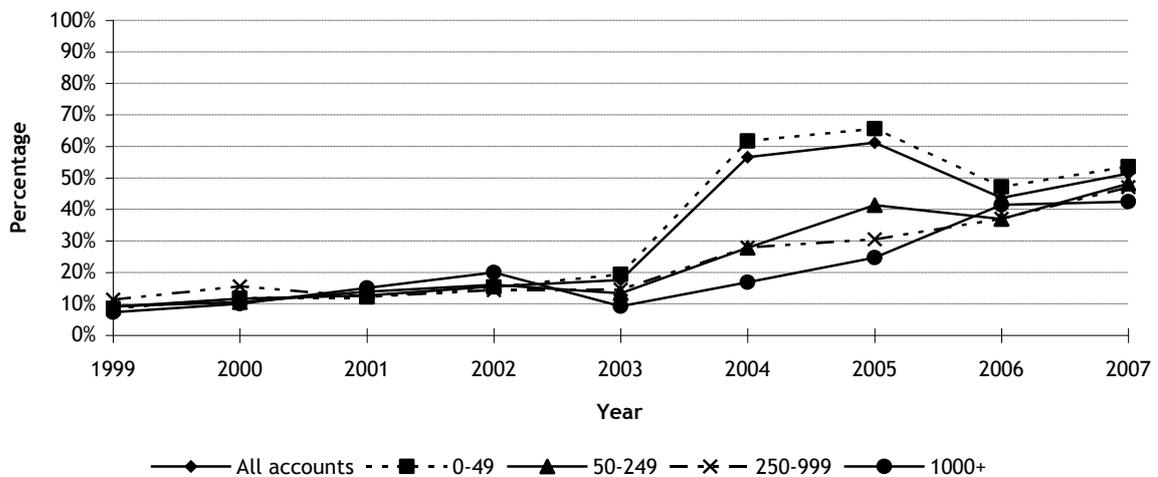
Source: IIP MI data

This finding is supported by earlier analysis of the IIP database of accounts committed or accredited between 1991 and 2001. Fernandez et al. (2005) show that between 1991 and 2001 the probability that an IIP account will cease commitment and not convert to accreditation has increased over time, i.e. there is a higher rate of drop out between commitment and accreditation over time. The reasons for this have not yet been explored by the research literature.

IIP MI data also reports on whether accreditations are renewals (i.e. IIP accounts re-accrediting) or new accreditations (ie accounts accrediting to IIP for the first time). Figure

2.3 and 2.4 show that over the last ten years it has become more common for IIP accredited accounts to be renewals than first-time accreditations. This suggests that IIP is attracting fewer new organisations to the Standard than it has in the past and is primarily being sustained by existing organisations renewing their recognition. Reasons for this have yet to be explored in the literature. It is too early to comment on the impact of the new choices approach on (new) accreditations and no research has been undertaken to examine the impact of the recession.

Figure 2.3: Percentage of first time and renewal accreditations by year, UK
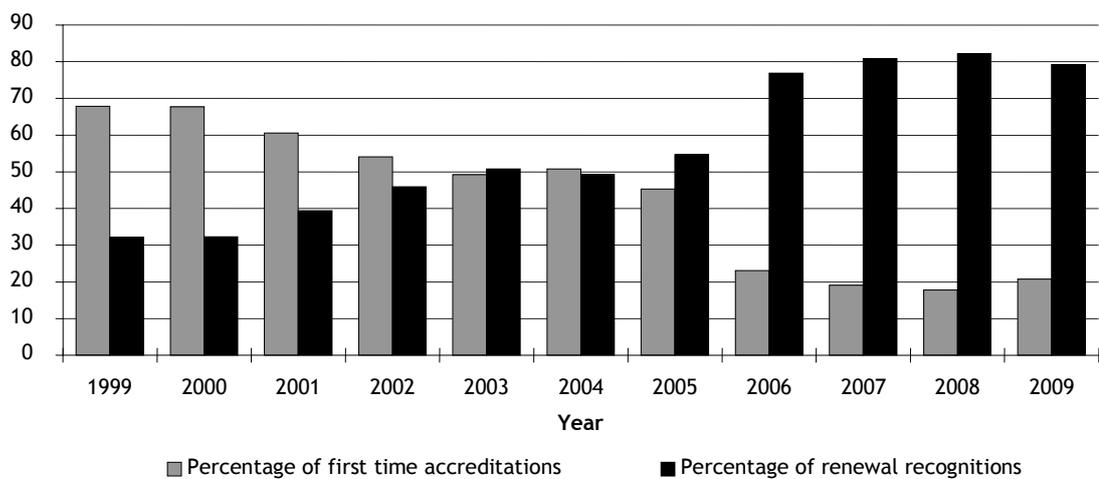
Source: IIP MI data

Figure 2.4: Total numbers of new and renewal accreditations, UK
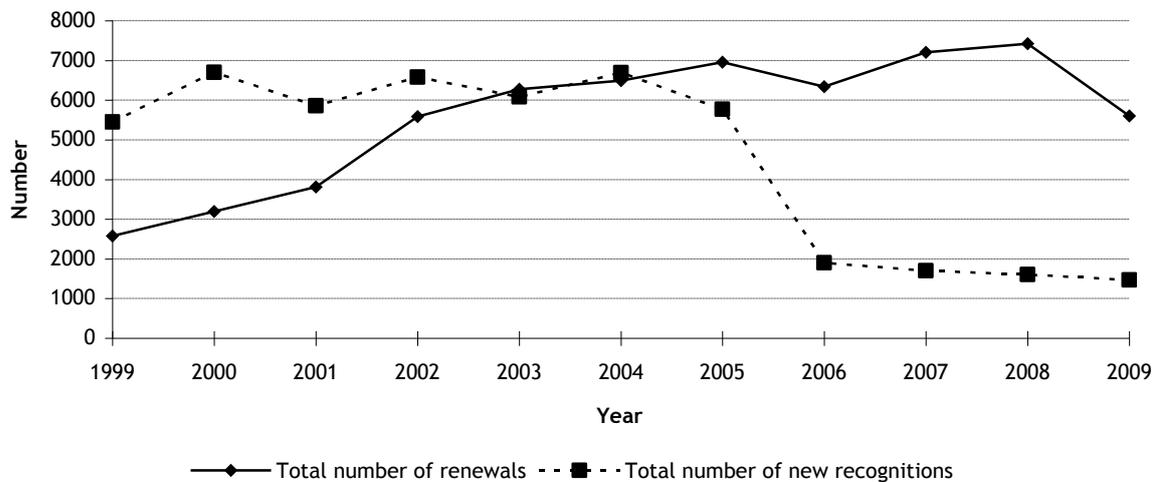
Source: IIP MI data

2.1.4   Variation by nation

The policy context of IIP is different in the four nations of the UK, as detailed in Chapter 1. The 2005 peak in the EPS data mentioned above was buoyed by growth in England and Scotland at that time. In 2010, the proportion of businesses accredited with IIP is highest in Wales with the other 3 nations at roughly a similar level of accreditation.

Table 2.2 details the number of accounts receiving Bronze, Silver and Gold IIP accreditation from 1 December 2007, when the new choices pilot was launched, to the end of June 2010, by nation. The MI data are a snapshot, taken at the end of June 2010 and therefore do not represent a cumulative total. Comparing the total number of accounts achieving IIP (re)recognition in 2009 to the total number of those achieving a Bronze, Silver or Gold award, suggests that approximately 15 per cent of accounts chose to use the new choices element of the framework (although this may be an over estimate as the time periods do not exactly align).

Table 2.2: New Choices awards by nation

	Bronze	Silver	Gold	Total
England	335	154	145	634
Northern Ireland	65	21	19	105
Scotland	220	45	13	278
Wales	2	1	2	5
TOTAL	662	221	179	1,022

Source: IIP MI data, 2009

2.1.5   Variations in IIP engagement by size

Figure 2.5 illustrates that establishments with large numbers of employees are more likely than small establishments to be IIP accredited as in 2007, 44 per cent of establishments with over 250 employees were IIP accredited compared to 24 per cent with 5-24 employees. This pattern of engagement by size of organisation is also found in the IIP MI data. Table 2.3 shows the level of IIP engagement by number of establishment employees and shows less variation in those considering or working towards IIP by size band than by actual accreditation, for example, comparing establishments with more than 250 employees and those with 5-24 employees shows a 16 percentage point gap in the proportion IIP accredited, but much smaller variation in the proportion working towards or considering IIP.

Figure 2.5: IIP-accredited establishments, by size, UK, 2007
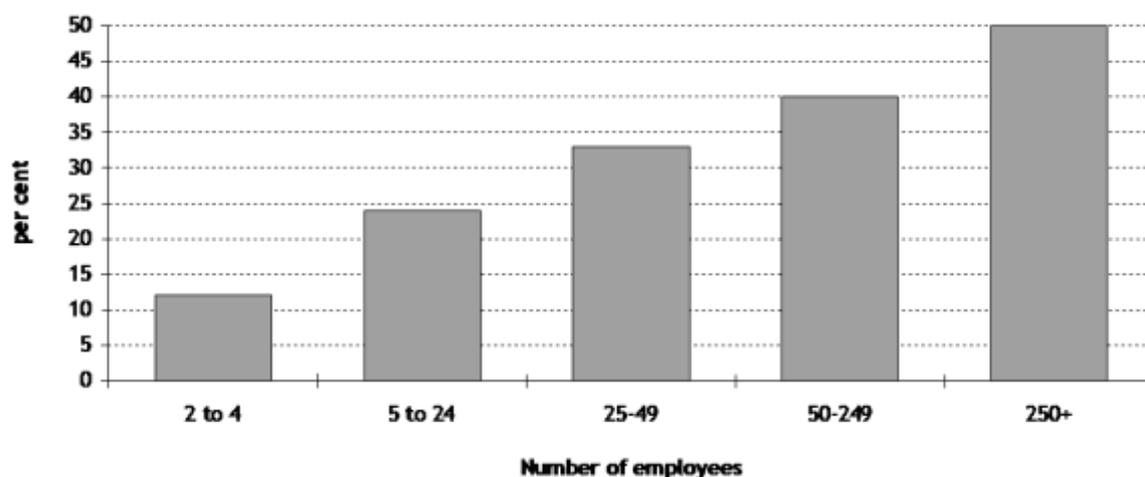
Source: Employer Perspectives Survey, 2007
Base: All UK establishments

Table 2.3: Engagement in the IIP Customer Journey by size band, UK

	2-4 employees	5-24 employees	25-49 employees	50-249 employees	Over 250 employees
Accredited	12	24	33	40	50
Working Towards	7	9	11	10	8
Considering	9	10	9	10	6
None of the above	65	47	39	31	29
Don't know	7	11	8	8	7

Source: Employer Perspectives Survey, 2007

Base: All UK establishments

A number of reasons may account for this pattern in take-up of IIP by size. Some possible reasons identified in the literature are explore below, although it is important to acknowledge that small firms cannot be categorised as one homogeneous group.

A lack of awareness/understanding of IIP: In 2010 the Tracking Survey found that unprompted awareness of IIP was 34 per cent among employers of all sizes, and when prompted this awareness rose to 91 per cent (Ipsos MORI, 2010). As with previous waves of the tracking survey, awareness was lowest among smaller organisations: 84 per cent among organisations employing 5-49 people (Ipsos MORI, 2010).

Smaller businesses are less likely to have a formal approach to management: this affects the likelihood that they will seek IIP recognition (Centre for Enterprise, 2003; Bell, 2004). In organisations which rarely use training plans, do not know how to bring about organisational change, and lack any internal human resource development expertise (Hill and Stewart, 1999; Bell, 2004), the process of gaining IIP accreditation may appear too daunting.

Some small-business owners are also found to fear that the perceived formality of IIP will threaten their firm's flexibility (ibidem) and some believe that a generic approach to training and development which requires compliance with externally imposed criteria involves too much bureaucracy (Hoque, 2003; Bell et al., 2004).

This 'fear' of formality contradicts evidence from the Quinquennial review of IIP (2002) which finds that small firms report shorter lead times from commitment to accreditation than their larger counterparts. This finding suggests that some small firms face fewer hurdles to achieve accreditation than is widely perceived.

Smaller organisations did not help IIP delivery organisations meet targets: Other Smaller firms tend to have less developed management and training systems and therefore usually face greater structural change in order to meet the IIP accreditation criteria. Consultants or business advisors have, in the past, had recognition targets to engage a specific number of organisations with IIP each year. These targets had been suggested to create incentives to 'cherry-pick' larger companies, which are more likely to secure recognition (Hoque, 2005; Bell, 2004).

2.1.6   Variations in IIP engagement by industry

The level of engagement with IIP differs by sector. The evidence consistently shows that public sector and voluntary organisations are more likely to commit to IIP and gain accreditation than private sector organisations. For example, the 2007 Employer Perspectives Survey found that 15 per cent of private sector establishments (employing two or more people) were IIP accredited, whereas 26 per cent of voluntary establishments and 51 per cent of public sector establishments had attained the Standard.

There is no evidence from the literature to explain the reasons for this pattern of take-up although there have been initiatives to encourage IIP take-up in parts of the public sector, such as schools. Within the public sector, there is evidence to suggest that some sectors are less likely to seek accreditation than others. Authors have suggested that this is because commercial language and processes, such as 'monthly appraisals', are not always common and would require too much of a cultural shift (Bell, 2004; Hoque, 2005).

Figure 2.6 shows that the industry sectors dominated by the public sector have the largest proportion of IIP accredited establishments in 2007 (e.g. Public administration, Health and Social Work).   This reflects public sector endorsement of IIP across a range of departments, and evidence suggests that this pattern of sector take-up may be long-standing. In 2002, the IIP Quinquennial review stated that the number of employees in accredited or committed organisations as a percentage of the total number employed in the public sector (Government, Public Administration, Education and Health) was over 80 per cent in 2002 (DfEE, 2002). This pattern of sector take-up is also supported by analyses of the major UK dataset, Workplace Employment Relations Survey (WERS) (Rayton, 2007; Hoque, 2003).

Figure 2.6: Establishments with IIP accreditation by industry sector (%), 2007
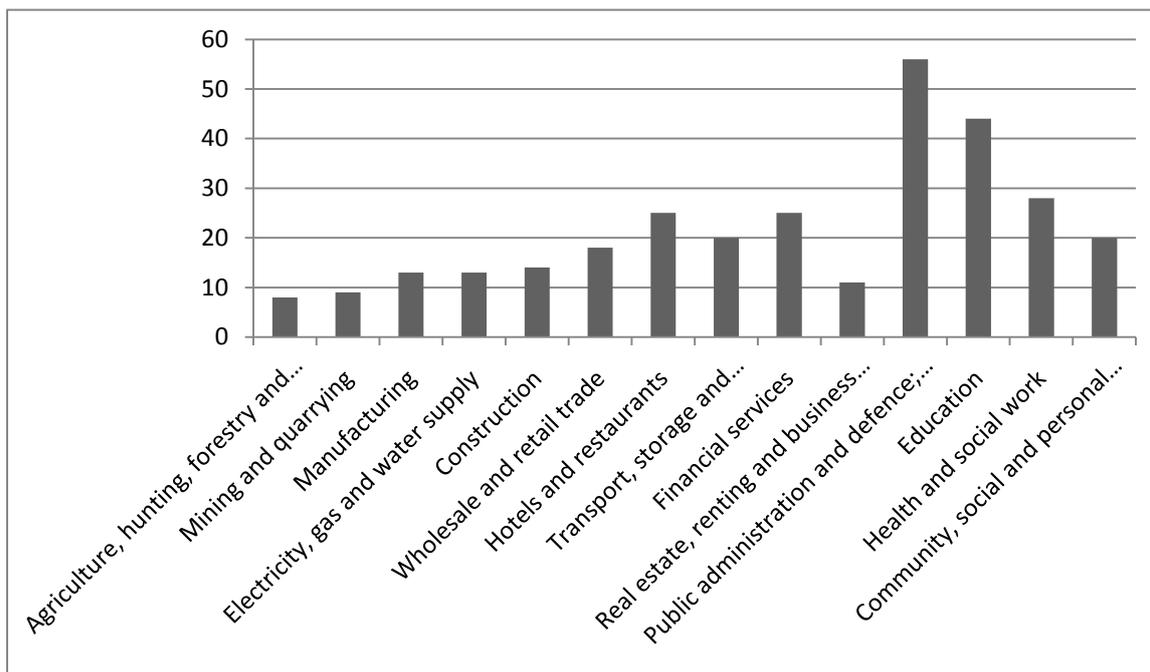
Source: Employer Perspectives Survey 2007
Base: All UK establishments

Firms in the service sector are more likely to proceed from commitment to recognition than firms in other sectors (Fraser, 2003; Hoque, 2003; Hoque, 2005; Rayton, 2007). Research using the WERS found that the probability of IIP accreditation was 0.77 for financial services and 0.81 for hotels and catering, compared to the benchmark workplace (0.48) (Hoque, 2003).

Hoque (2003) suggests that organisations which deliver customer services are more likely than the average workplace to seek IIP recognition because of the importance of customer interaction within these sectors. Alternatively, higher than average rates of staff turnover that characterise the retail and hotels and catering sectors may create a need for formal training programmes for new recruits. Hoque (2003) speculates that it may be easier for workplaces within these sectors to demonstrate fulfilment of IIP's procedural requirements. More qualitative research could be undertaken in order to further investigate this pattern of take-up.

2.1.7 Other variations in IIP accreditation

Apart from size and sector of the organisation, the literature identifies other reasons for variations in the take-up of IIP between organisations both in terms of engaging with IIP and the likelihood to achieve accreditation (depending on the focus of the research). These reasons relate to business attributes and ambitions.

The organisation's culture and approach to training

The type of HR strategy an organisation adopts was found to affect the likelihood that they would engage with IIP. Some evidence suggests that IIP reaches companies that already have a more formal approach to management and training, whether small or large and that management style in companies not engaged with IIP tends to be more ad hoc and less open to forward planning (Centre for Enterprise, 2003).

Analysis of WERS 2004 shows that the presence of a formal strategy and inclusion of people management issues within the strategy increases the probability that a workplace is IIP accredited, as does the presence of a manager who spends a major part of their time on personnel or employee relations matters (Rayton, 2007). This influence appears to have reversed since Hoque's analysis of earlier WERS data (1998) which found that workplaces with a personnel specialist were **less** likely to have IIP accreditation (Hoque, 2003). There is no evidence to explain why this change may have occurred.

The organisation's growth ambitions

York Consulting (2005) reported that organisations for which growth or change was a key objective were more likely to be IIP accredited. This is echoed by analysis of the business situations of organisations likely to seek IIP accreditation. A representative sample of 600 businesses found that of those who were likely to seek IIP accreditation, half expected to grow at a moderate rate (52 per cent), a quarter planned to grow rapidly (23 per cent) and a smaller proportion intended to decline or stay stable (5 per cent and 20 per cent respectively) (Smith et al., 2002).

Fernandez et al. (2005) also found that increasing the number of employees improves the chances of achieving IIP accreditation; downsizing has the same effect but this is weaker. The authors suggest that changes in the number of employees may have increased chances of being able to provide the evidence required for IIP.

Location of headquarters

The domicile of the organisation headquarters also affects the likelihood that a workplace will be accredited. According to analysis of the WERS survey, workplaces owned by the 'rest of the world,' (excluding North America and Europe) were less likely to have secured IIP than UK-owned organisations (a probability of 0.066 compared to 0.484) (Hoque, 2003).

The age of workplace

There is mixed evidence as to whether the age of the workplace is linked to accreditation rates. In WERS 1998 (Hoque, 2003), there was no evidence to suggest that IIP accreditation was significantly linked to workplace age. In contrast, an analysis of a more recent wave of WERS showed that young organisations (between five and ten years) were more likely than older ones (10-20 years) to attain IIP (Rayton, 2007). This could indicate that younger firms can be faster at adapting to new organisational routines, and are therefore more likely to progress towards IIP accreditation.

Workforce unionisation

Analysis of WERS 1998 and 2004 examined whether there was a relationship between unionised workplaces and IIP accreditation. Hoque (2003) analysed WERS 1998 and found no evidence that unionisation was related to IIP accreditation. However, in WERS 2004, Rayton (2007) found that being a unionised workplace was positively associated with being IIP accredited.

The contradictions in evidence need to be further explored, as do explanations in the extent to which the method and the timing of research impacts on the differing findings, in order to develop an understanding of engagement with IIP.

2.1.8 Engagement with IIP compared with European Foundation for Quality Management (EFQM) 'Excellence' model and International Organisation for Standardisation (ISO)

ISO and EFQM 'Excellence' model were chosen as comparator standards for IIP because they are both nationally available business improvement tools and can be applied to a range of businesses, regardless of size or sector. The literature searches for this report were limited to publications that compared IIP directly with ISO or EFQM, and we acknowledge that there will be literature about business engagement with ISO and EFQM that may have transferable messages for business engagement with IIP, but which is not

captured in this review. Other than the IIP tracking study, there is very little research comparing employer engagement with IIP with that of other quality standards such as EFQM and ISO.

The IIP tracking study (Ipsos MORI, 2010) found that levels of employer awareness were highest for IIP (91 per cent awareness), then for the ISO standards (83 per cent awareness) and of the three quality standards awareness of the Excellence model was lowest (29 per cent).

In terms of accreditation, in 2010 the IIP tracking survey found:

- 34 per of organisations were recognised with ISO standards
- 29 per cent were IIP accredited, and
- 9 per cent of employers were recognised with the Excellence Model.

Figure 2.7 IIP & ISO Coverage by sector 2007
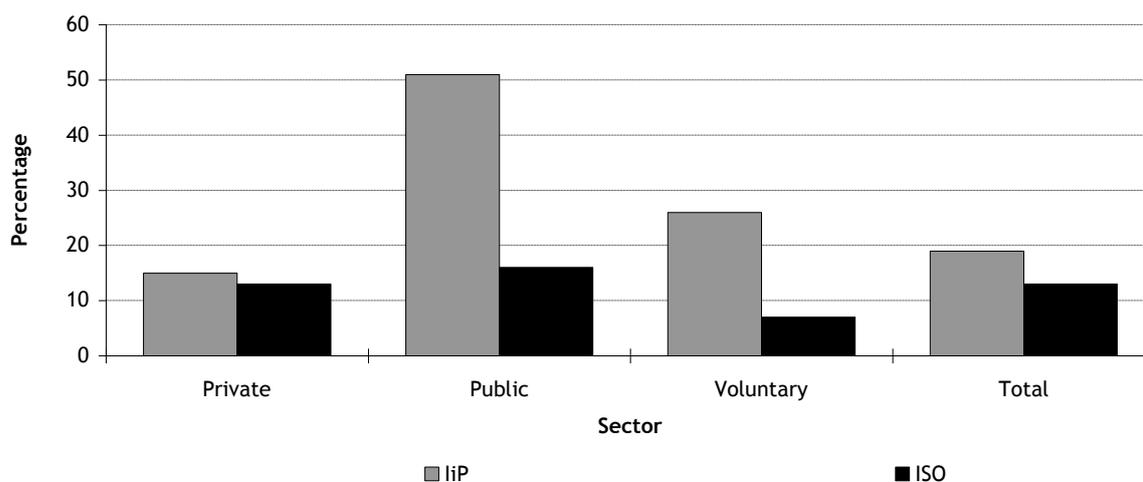
Source: Employer Perspectives Survey 2007
Base: All UK establishments

The Employer Perspective Survey (2007) found similar patterns of engagement with ISO and IIP, with proportionately less use of both standards in small organisations. Twelve per cent of UK establishments with two to four employees compared to 19 per cent overall are IIP accredited while ISO is used by nine per cent of establishments with two to four employees and 13 per cent of all establishments Like IIP, ISO also has highest usage in the public sector although the difference for ISO is much less marked.

Some evidence suggests that employers perceive quality tools as alternatives rather than complementary. Research into early use of IIP found that TECs were key to getting employers engaged in IIP and that there was a high level of joint involvement in IIP and other quality standards (such as BS5750), but there was little evidence that involvement in one quality initiative led to involvement in another (Hillage and Moralee, 1996). Harris (2001) also found that some businesses reported using one quality standard like ISO or the Excellence Model and did not therefore see what added value IIP would provide alongside these other quality tools.

Lentell and Morris (2001) looked at the effect of IIP on customer service in seven leisure centres, using a client satisfaction survey, with a sample size of 820. Customers of leisure centres with IIP accreditation rated the service they received more highly than customers of ISO registered leisure facilities. However, this study noted that ISO and IIP standards are not direct competitors. While ISO focuses on organisational systems and processes for the purpose of quality assurance, IIP is concerned with training and development of employees in order to improve business performance. The author felt this could explain the apparently different influence of the standards on customer satisfaction.

2.1.9   Summary

IIP awareness has remained strong over the past few years, and familiarity with the IIP Standard has also been consistent. The majority of employers surveyed understood IIP to be a business improvement tool.

Overall, the number of IIP accredited organisations has fallen recently. It is not yet clear whether this is related to the recession, changing policy positions or whether the peak was fuelled by the availability of a subsidy in England and the impact of subsidies in other parts of the UK. What is clear from the data is that this overall fall in the number of IIP accredited organisations can be explained by a:

Reduced inflow – with a fall in the number of first-time accreditations. The number of new organisations achieving IIP for the first time has been falling over the past five years.

Increased drop out between commitment and accreditation – the number of organisations committing to IIP and not seeking accreditation has been rising.

Increased outflow – with a fall in the number of firms seeking re-accreditation: the number of failures at assessment has remained relatively stable, the increase is explained by the number of organisations walking away, and not seeking reassessment.

Broadly speaking, larger organisations are more likely to work towards and achieve IIP accreditation than smaller organisations. Public sector organisations are also more likely to engage with IIP and achieve accreditation than other industry sectors. In terms of variation in IIP take-up, many other factors have also been cited, including organisational culture and approach to training, growth ambitions, whether a UK-owned organisation, the age of workplace, and workforce unionisation.

Comparisons with other nationally available business improvement tools suggest that tackling small business engagement with any voluntary public policy initiative is a common issue.

2.2 Barriers and drivers of IIP engagement

This section gives an overview of some of the main reasons why organisations pursue IIP accreditation, as well as some of the barriers employers face when pursuing the IIP Standard. The evidence suggests a number of reasons why organisations engage with IIP. These include: to improve organisational performance; to manage change; image management; and demand from customers in their supply chain. Employers who are not engaged with IIP often cite lack of time, and perceived costs of IIP accreditation, as well as a perception that there would be no benefits for their organisation from IIP as reason for their non-participation.

2.2.1 Why do organisations engage with IIP?

The IIP Tracking Survey (Ipsos MORI, 2010) explored employer perceptions of IIP. Generally, accredited organisations held more positive perceptions of IIP than non-accredited organisations. Although not a direct reason for engagement, it is useful to consider differences in the perceptions of accredited and non-accredited employers. Accredited organisations were particularly more positive regarding the relevance of IIP to their own organisation; the value for money provided by IIP and the perception that IIP helps all types of organisations to grow and change. Key drivers analysis also affirmed the importance of the relevance of IIP and the value of IIP as a good business decision as the two key factors in explaining organisations' interest in gaining IIP (Ipsos MORI, 2010).

Some research claims that the decision whether to engage with IIP may be as much about public image or the personal motivations of individuals. One study characterises the reasons businesses engage with IIP as either 'self-motivated', if they seek the Standard in order to improve practices or as a framework to manage change, or 'external-motivated' where the Standard is adopted to indicate prestige or for use as a marketing tool. A survey of private-sector Scottish employers found that about two-thirds were self-motivated in their engagement with IIP, with no variation across size bands (Michaelis and McGuire, 2004).

A similar typology is proposed by Jigsaw Research (2007), which distinguished 'compliance seekers', those who engage with IIP in order to win tenders, and 'badge-seekers' which use the Standard to improve company profile and as a recruitment and marketing aid from 'idealists', who engage in order to attain best practice in training and people management. However, most authors agree that organisations have multiple reasons for committing to IIP and, since this combination is likely to vary from business to business it can be difficult to determine the extent or strength of motivations. The main reasons for IIP engagement arising from the evidence are discussed below. The first three reasons are self-motivated and the following two are externally motivated.

Intrinsic motivations for IIP engagement

- **Improving organisational performance**

Firms expect business benefits from attaining IIP. These expectations appear to have shifted slightly over time from anticipation about benefits connected with training among early adopters, to more general business improvements based on evidence from later studies.

Earlier studies appear to show employers' expectations of IIP as a tool focussed on training. A survey from the mid-1990s found that employers responding to a longitudinal survey perceived that IIP would contribute to improved identification of training needs (21 per cent); a more highly-skilled workforce (28 per cent); and improved staff morale (28 per cent). Areas where smaller proportions of employers reported that they felt IIP could contribute were: financial performance (eight per cent), higher quality products (ten per cent), and better customer satisfaction (five per cent) (Hillage and Moralee, 1996).

A survey of Institute of Directors (IoD) employer-members with 275 responses (no response rate was stated), found that the reasons most commonly stated for seeking IIP

recognition were to align training more closely with business needs (83 per cent of respondents) (Harris, 2001). Reduced training spend by aligning training more closely to business strategy is noted by Bell et al. (2004) as a reason organisations engage with IIP.

IoD members also hoped to improve the quality of training and development (72 per cent), to improve employee retention (60 per cent) and to attract better quality recruits (47 per cent). However, achieving IIP was also commonly expected to have benefits for financial performance: 49 per cent hoped to improve the quality of their goods/services; 44 per cent reported that achieving these goals would help their business to improve productivity; 34 per cent hoped that it would lead to enhanced profitability; and 21 per cent expected an increase in sales/income.

In the last decade a literature review found that the primary reasons for signing up to IIP are to improve organisational performance, increase employee motivation and help in the development of a learning organisation (Bell et al., 2004). This is supported by IFF (2007) which found that over half of employers in a survey of 1,166 employers cited 'encouraging continuous improvement', 'helping to meet company objectives', 'improving training' and 'strengthening leadership and management' as key drivers for engaging with IIP. This could support evidence from the IIP tracking study of a shift from employer's perceiving IIP as a training and development tool to one to support business improvement.

Some survey evidence suggests that smaller organisations were more likely than larger ones to cite *specific* business advantages to taking up IIP, such as to help them win new business or giving them a competitive advantage (IFF, 2007). Other research with Local Authorities (large organisations) suggests that IIP was used to meet a general need for business improvement, rather than in response to a specific need. A survey of 120 local authorities found that only two respondents that signed up to IIP to solve a particular problem. On the whole, manager-facilitators surveyed felt that IIP would help their organisation more generally, for instance to ensure best management practice; be part of a process of continuous improvement and promote joined up thinking between corporate and service planning and individual performance (Berry and Grieves, 2003).

- **Personal ambitions**

Some authors have claimed that certain groups of staff within organisations have engaged with IIP in order to advance their own careers, or because of pressure from personal contacts. For instance, Bell et al. (2004) assert that some employees seek IIP accreditation for their organisation as a means of professionalising the HR function, thereby enhancing their own career prospects, a view also supported by Hoque et al. (2002). When IIP was delivered by Training and Enterprise Councils (TECs), evidence showed that the involvement of an organisation's senior managers within the TEC may have prompted businesses to become IIP accredited even where there was no clear business case for doing so (Bell et al., 2004; Hoque et al., 2005). This has led to researchers describing the decision to seek IIP accreditation as a 'complex micro-political process' (Hoque et al., 2005).

- **Corporate initiative/wider change-management processes**

A number of authors have found that corporate initiatives and wider change management processes have encouraged organisations to seek IIP accreditation. A survey of local authorities found that 74 per cent had introduced IIP as part of a wider corporate change programme (Berry and Grieves, 2003). While another piece of research involving interviews with 12 staff members at the Benefit Agency, revealed that they had been compelled to take up IIP by government and that the organisation had no choice about whether to adopt the Standard (Emberton and Winters, 2000). These sorts of initiatives may have influenced the relatively high level of IIP take-up among the public sector described earlier.

Ram (2000) warns that where motivations are not driven by a genuine desire for change, IIP is unlikely to result in changes to processes and management. However, other research finds that even where IIP is imposed as part of a broader change programme, the organisation may still anticipate positive benefits. Three-quarters of the local authority respondents to a survey reported that the decision to take up IIP was a corporate initiative, but many still felt the Standard would have benefits for their organisation such as ensuring best management practice, and promoting joined-up thinking between corporate and service planning and individual performance (Berry and Grieves, 2003).

Extrinsic motivations for IIP engagement

- **In response to demand from customers**

There is some evidence that customer demand has led some employers to adopt IIP. Jigsaw Research (2007) refers to such organisations as 'compliance-seekers' and claims that they are mainly private-sector organisations that work for the public sector. Indeed, a survey of 81 organisations undertaken by Murphy (2008) found that 25 per cent of employers claimed client requirements influenced their decision to undertake IIP. Ram (2000) also noted a tendency for businesses to work towards IIP because it was expected by their clients (one of the case study organisations was a supplier to the Training and Enterprise Council).

- **Image management**

Some research has suggested that organisations may attain IIP in order to enhance their public image, or to kite mark existing practices (Hillage and Moralee, 1996; Harris, 2001; Smith et al., 2002; Douglas et al., 1999). For instance, Bell's qualitative research with IIP assessors and staff at various levels within different employers reported that the management may wish to acquire a 'prestigious badge to endorse existing people-management activities,' or in the face of pressure to follow the lead of high profile companies that are IIP accredited (Bell, 2004).

A survey of Local Authorities found that 74 per cent of respondents claimed their LA had adopted the Standard as a 'badge of recognition' (Berry and Grieves, 2003). However, a literature review undertaken by Claytor (2001), recognised that while public image was an important motivator, particularly in the early years of the Standard, it was not a sufficient motivator to encourage employers to commit to the Standard and usually went hand in hand with a desire to improve the skills of the workforce.

- **The impact of public policy/subsidy**

There has been no evaluation of the impacts of public policy statements on IIP, and little evaluation of subsidy programmes to enable reporting, with confidence, the impact of public policy signals and incentives. The peak in commitment in 2005 at the time of the Small Firms Initiative, suggests that there is an impact, but it is not possible to isolate the impact of the subsidy. Earlier evidence, at the time when the Training and Enterprise Councils (TECs) were delivering IIP (Claytor, 2001) noted that TECs with the highest number of IIP accreditations were more likely to give subsidies to the organisations they

worked with than TECs with lower numbers of IIP accreditations. There is some limited evidence to suggest an extent of deadweight (what would have happened anyway) within these subsidies. In their mixed method research involving about 800 IIP committed and accredited organisations, Cox and Spires (2002) found that just over half of the employers that were committed or accredited and that had received some financial support said they would have probably or definitely undertaken IIP without it.

2.2.2   Barriers to engagement with IIP

Numerous research projects have concluded that employers' perceptions of the time required, cost and perceived bureaucracy are among the main barriers to IIP take-up (Harris, 2001; Claytor, 2001; Smith et al., 2002; Cox and Spires, 2002; Centre for Enterprise, 2003; Murphy, 2008; Ipsos Mori, 2007 and 2009). Generally, the nature of these costs, such as assessor costs or the costs of staff and management time are not distinguished in the research.

These barriers were cited by all sizes of organisation in research carried out by Smith et al. (2002), although a report produced by the Centre for Enterprise looking at the uptake of IIP among small businesses claims that these factors are greater deterrents for small businesses. For example, while larger organisations may employ a specified person, such as an HR manager, whose role includes the implementation of initiatives such as IIP, in smaller businesses it is generally senior managers who deal with the accreditation process and with competing pressures on their time, this can be challenging.

Two other barriers have emerged from the literature: that employers perceive there will be no benefit and that IIP would not meet the organisation's needs. Some employers perceive that IIP accreditation would have no discernible benefit to their business or its staff. In a small-scale survey of 222 non-IIP-accredited or committed employers, 24 per cent said that they did not feel IIP would be beneficial to their business (Cox and Spires, 2002). Older research by Hillage and Moralee reported survey findings where 21 per cent of firms considered themselves to already have effective training practices and therefore did not believe that IIP would add value (Hillage and Moralee, 1996).

The perception that IIP is not focused on the needs of the company can also be a barrier to engagement (Smith et al., 2002). This is corroborated by qualitative research with a team of advisors from Business Link, who reported that they felt IIP could be too rigid, and that firms had to adhere to the same framework in spite of individual differences. This meant that inappropriate time or funds were allocated and training was delivered that was not really appropriate (Smith and Collins, 2007). However, both of these pieces of research took place before the new choices approach to the framework was implemented, which offers firms more flexibility.

2.2.3   How do IIP barriers and drivers interact?

While it is difficult to determine the weight of each of the barriers and drivers to engagement with IIP discussed, most authors highlight that the decision to seek IIP recognition is likely to be attributable to a combination of business and other factors.

With this in mind, one report developed a model to illustrate how small businesses make decisions about IIP commitment and recognition. According to this model, the key factors businesses have to weigh up are: brand value; product value; time cost; financial cost; business need; and the language of the framework (Centre for Enterprise, 2003).

The relationship between these factors is made more complex by research showing that these drivers and barriers may change during the process of gaining recognition. Case study research carried out by Bell et al. (2002) showed that initial interest in working towards IIP was related to quality, but organisations reported that looking back, the focus on achieving 'the sign' became more important to them over time as IIP processes became embedded, and they felt that there was an element of 'keeping up with the Joneses'. For this reason, the authors emphasise the importance that IIP remain a mark of quality that is difficult to obtain. They cite the views of managers who claimed that, as IIP became more commonplace and more 'ordinary organisations' were accredited, it would lose its value as a mark of competitive differentiation. Managers also reported weighing up the value of quality tools against each other when deciding which quality standards the firm should adopt and that the desirability of quality initiatives were affected by the status of other badges and the status of the organisations that possess them (Bell et al., 2002).

2.2.4 Summary

The majority of research has found that employers are intrinsically motivated by business goals, such as the desire to improve recruitment and retention of staff through the quality of training, to link training more closely with business goals, to fulfil personal ambitions, or to develop management and change management practice more generally for enhanced organisational performance. Other reports claim employers undertake IIP in order to enhance an organisation's public image and to respond to customer demand.

Perceived barriers to IIP take-up include cost, time investment and bureaucracy. Some employers do not believe that there would be business benefits resulting from IIP accreditation, or that the Standard is relevant to organisational requirements.

2.3 Employer perceptions of the process of gaining IIP

The table below details the area of the analytic framework and evidence base covered in this section. Section 2.3.1 looks at the evidence on employers' perceptions of IIP delivery. Employer perceptions of the perceived challenge of IIP are discussed, including research investigating the length of time taken to become accredited. Section 2.3.3 and 2.3.4 examines the evidence on IIP re-accreditation and post-accreditation support.

Table 2.4: The analytic framework: employer perceptions of the process of gaining IIP

Stakeholder	Evidence of Perspectives on Process of Gaining IIP Accreditation
Employers	Perceptions of engagement and delivery methods including business support services.
	Responsiveness of IIP to organisational need.
	Evidence of whether changes in the Standard & accreditation process have affected the degree of challenge or *perceived* degree of challenge of achieving IIP.
	Extent to which committed organisations are (re)accredited and reasons for any changes over time.

Source: IES, 2010

2.3.1 Employer perceptions of IIP delivery

Much of the available evidence about employer perceptions of IIP delivery is now dated as it was undertaken during earlier phases of IIP implementation. Apart from the IIP UK tracking survey, more recent research exploring employer perceptions of IIP delivery has been fairly small scale, involving a limited number of organisational case-studies. The

remaining evidence about employer perceptions of IIP delivery is quite dated and reflects previous versions of the Standard.

The 2010 IIP Tracking Survey found that 68 per cent of employers that had been through the IIP assessment process found it valuable. This is supported by earlier research which found that most accredited/committed companies felt that the IIP process was a positive one (67 per cent) (Harris, 2001).

Over the lifetime of the IIP Tracking Survey, employer satisfaction with a range of individual aspects of the assessment process has been high. In 2010, of those employers that had been through the assessment process:

- 97 per cent said the assessment was fair

- 95 per cent reported that the IIP assessor was professional

- 94 per cent were clear about what the process involved

- 89 per cent felt that the IIP assessment made recommendations which led to continuous improvement

- 89 per cent reported that the assessment process was straightforward

- 77 per cent felt the costs of the assessment were acceptable.

There was a decline in the proportion of employers agreeing that the costs of the IIP assessment are acceptable, from 83 per cent in 2007 to 77 per cent in 2010. This is likely to be as a result of the recession, with employers tightening budgets.

The only study reviewed which has estimated the actual costs of achieving IIP found that the average cost of gaining IIP accreditation was £13,809 but this varied significantly according to the size of the company, with large companies with 250 or more employees spending £39,424 on average (although this may represent a lower unit cost per employee) (Harris 2001). Although dated now and reflecting a different version of the Standard. This gives some weight to the cost reasons often cited by small firms as to why they do not engage with IIP.

The IIP Tracking Survey also includes employers that are not IIP accredited and which represent the potential market for new IIP accreditations. Compared to accredited organisations, non-accredited organisations are more likely to report that there is too much paperwork involved in becoming accredited and they are also less likely to agree that there are clear measurable results from achieving IIP (Ipsos MORI, 2010).

A forthcoming evaluation of IIP consulted 160 employers in Wales that have committed to IIP through the Workforce Development Programme. Around a half (53 per cent) of organisations surveyed considered that the support from the HRD adviser had influenced their decision to commit to IIP. Overall, levels of employer satisfaction with IIP pre-recognition support were also high: 74 per cent of IIP participants rate the overall quality of support as 'very good' and 77 per cent of organisations surveyed rate the quality of the feedback they had received from IIP assessors as 'very good'.

Evidence from the early phases of IIP implementation show mixed employer evidence of delivery which suggests that IIP might be inconsistently implemented by assessors. One of the first major evaluations found that there was some inconsistency in the support provided to employers by TECs and assessors. Some employers reported positive experiences of support, but others felt there was a lack of understanding about the nature of their business, poor communication, a lack of clarity about what was required to meet the Standard and inconsistency in the funding they could access (Hillage and Moralee, 1996). This may be explained by the localised funding arrangements, as subsidies were individual to each TEC. These findings echo the results of a literature review by Bell et al. (2004) who reported that IIP was sometimes seen as obsessive about paper-work and procedures, yet at other times was not rigorous enough.

2.3.2   Employer perceptions of the perceived challenge of IIP

The evidence to inform this section is based on some direct evidence of the challenge as reported by employers, but most commonly the review considers the length of time taken to become accredited, as a proxy. There is evidence to suggest that some organisations find IIP easier to achieve than others. In part this relates to the extent to which they already have the relevant mechanisms and processes in place prior to signing up to IIP and the distance they have to travel (i.e. putting systems and processes in place) (Hillage and Moralee, 1996). In the early days of IIP, Hillage and Moralee (1996) suggest that there was more 'badging' of existing practice than in later periods. This may be because organisations which already met the Standard and had similar practices and processes prior to its implementation were likely to constitute the majority of early adopters. In four case-study organisations Smith (2009) found that employers were open about the lack of challenge for them in gaining IIP. For example, they said: *we actually got something for doing what we're already doing'*; and *'it just rubber stamps a lot of the things we're doing'* (Smith, 2009, p.17). However, quantitative research suggests that this is a minority view with 71 per cent of organisations agreed the IIP assessment process was challenging

(Ipsos MORI, 2010). Overall, however, the evidence continues to suggest that some organisations find IIP more challenging to achieve than others.

In a rigorous examination of data of all the IIP committed and accredited organisations in the first 11 years of the initiative, Fernandez et al. (2005) found that approximately a quarter of establishments gained IIP accreditation within the first one to two years of committing. Fernandez et al. (2005) used a statistical modelling technique called hazard analysis to examine the probability that once an organisation has committed to IIP they will go on to become accredited. This showed that organisations committing to IIP in 2001 faced three times as high a 'risk' of recognition as those registering in 1991, i.e. that organisations committing in 2001 were more likely to become accredited than those registering in 1991.

The causes of this change are not clear. It could be because IIP became better known over time, improved quality of delivery, or because over time organisations are better equipped to achieve the Standard when they commit because they know what to expect.

The incidence of accreditation was found to be higher for not-for-profit and public sector organisations than for private sector organisations and larger organisations were more likely to obtain recognition than SMEs once they had committed. Private sector organisations were found on average to take longer to gain IIP accreditation after expressing their commitment (Fernandez et al., 2005).

Hillage and Moralee (1996) find that small businesses are less likely to have secured IIP accreditation, although they tend to see the business benefits from it earlier and introduce change on a larger and faster scale than larger firms.

Changes to the Standard may also have affected the perceived challenge of gaining IIP and there are two studies that have looked at this.

One study looked for any changes in perceptions of the length of time taken to be accredited pre- and post- the revision of Standard Indicators in 1999. The research found that employer views of the process did not differ much by size, sector or when the firm was accredited (pre- or post-2000) (Harris, 2001). Overall, though, there is a limited amount of evidence about the impact of early changes to the Standard on the length of the accreditation process.

At the time of the Profile updates (2004) a representative survey of 1,166 employers (594 employers who renewed IIP; 336 who were newly accredited; 156 who were committed to

IIP; and 80 who were attempting to renew but had not (yet) achieved the revised Standard) found that 45 per cent of renewers thought that the changes to IIP had made IIP harder to achieve. This compared to 79 per cent of organisations that were IIP accredited (under the previous version of the Standard) and were yet to go for recognition under Profile. This suggests that more organisations believe the changes to the Standard would make it harder than those who actually found it hard in reality. The main reasons for the perceived increased difficulties were the increased focus on management competencies, more detailed evidence requirements and more stringent evaluation (IFF, 2007).

Because some organisations may find achieving IIP easier than others, when advisors have targets for the number of organisations to commit to IIP or to accredit, Smith and Collins (2007) found there is an incentive for advisers to work with companies who are more likely to pass the assessment. Advisors interviewed from one Business Link described an inclination to go for 'easy hits' when there is pressure to meet targets. This means that organisations that already have a supportive training culture and are 'ready' for accreditation are favoured, to the detriment of firms that have farthest to travel. The 'advisory' nature of the role could conflict with the job description: to commit organisations to IIP. Some advisors felt that other standards/processes would be more appropriate for a particular organisation but they were compelled to nudge them in the direction of IIP in order to try to meet their commitment and accreditation targets (Smith and Collins, 2007). The implication of this finding is to remove any perverse incentives from advisers' targets and performance management frameworks.

2.3.3   Process of re-accreditation

Once IIP accreditation comes up for renewal, organisations may either seek re-accreditation, or decide to no longer continue with IIP and not to seek re-accreditation. Section 2.1.3 shows the increasing proportion of IIP accredited organisations that are re-accreditations and therefore employer perceptions and experiences of re-accreditation are of increasing importance; however the review has found very little recent evidence concerning the process of re-accreditation. There is some, now quite dated, evidence that achieving IIP re-accreditation is less time-consuming and easier than achieving first time recognition. Employers believed that seeking re-accreditation was easier because they knew what was required and had been collecting relevant evidence prior to assessment (Hillage and Moralee, 1996).

There has also been little research exploring why organisations decide to renew their commitment to IIP.

Hillage and Moralee (1996) found that once accredited, employers sought to maintain IIP because it improved the public image of the organisation (39 per cent), enabled better management of training (28 per cent), improved training processes (26 per cent), and improved staff morale, motivation and commitment (20 per cent).

The results from a study of private sector companies in Scotland found that the main motivations for re-accreditation were upholding reputation, benchmarking their performance, demonstrating their commitment to staff development and maintaining their own high standards (Databuild, 2007).

Very little research has been undertaken into why employers do not re-accredit, still less the impact of the process on this decision.

While being re-accredited may be easier than being accredited for the first time, IIP still needs to continue to provide stretch for accredited organisations. From the data we are able to see that the number of organisations 'walking away' after their accreditation has lapsed and not seeking to be re-accredited increased between 1999 and 2009 (Figure 2.8). The number of organisations failing to meet the Standard at re-accreditation assessment is quite small and has remained so for most years between 1999 and 2009.

Figure 2.8: The number of de-recognitions (walk-aways and failures)
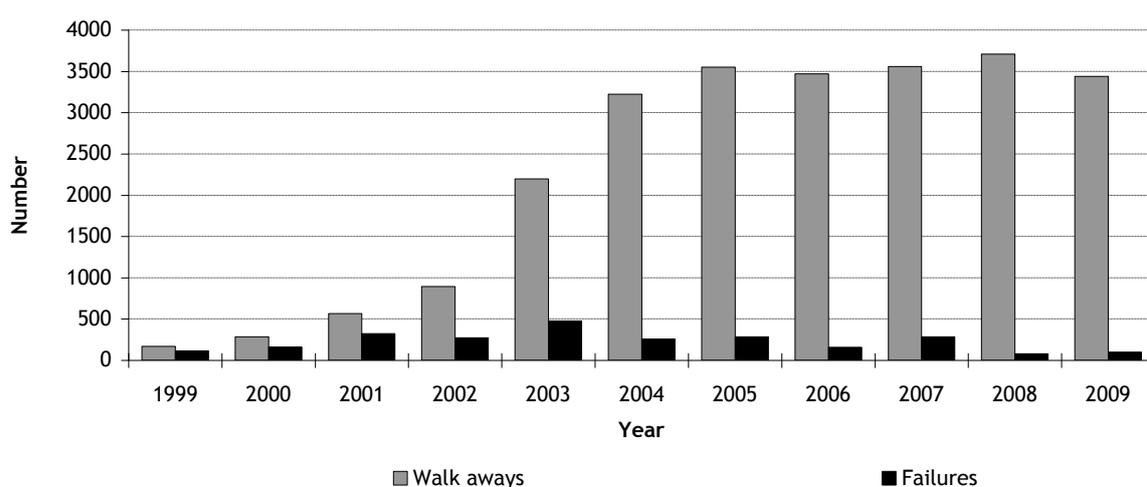
Source: UKCES IIP data

Changes to the Standard under the New Choices approach may aid retention. A small number of employers interviewed about the New Choices approach felt that the differentiation and stretch at the top of the Standard would be a positive retention tool and re-introduce momentum for companies that might otherwise lapse (Jigsaw, 2007). There has been no evaluation evidence about whether this perception prior to implementation has been borne out in reality.

2.3.4 Post-accreditation support

There is a very small body of evidence about employer perceptions of post-accreditation support. The 2006 IIP UK tracking study survey found that 48 per cent of accredited employers were satisfied with this (23 per cent neutral and 20 per cent didn't know) (Ipsos MORI, 2007). Research testing the New Choices approach with small focus groups of employers found that employers perceived that the changes would offer more post-accreditation support through graduated recognition and anticipated that the changes could alter the nature of the relationship between the employer and assessor to one of consultancy support (Jigsaw, 2007). No research has examined whether this was the case in practice.

2.3.5 Summary

There is limited and somewhat dated evidence on employer perceptions of IIP delivery. There is mixed evidence suggesting there may be variations in the quality of IIP delivery which requires further clarification and investigation.

Those employers that engage with IIP generally view the process of gaining IIP as a valuable one. The extent to which organisations view IIP as challenging seems to depend on whether they have existing processes and formal structures in place prior to IIP commitment and therefore the distance they have to travel to achieve the award from registering commitment.

The number of organisations not seeking re-accreditation has risen in recent years, whereas the number of IIP accounts 'failing' to re-accredit has remained low. The only evidence available suggests that IIP re-accreditation is less time consuming that the first accreditation, but the reasons why organisations do not re-accredit has not been explained. Given the importance of existing accounts, it is important to ensure the process of re-accreditation provides what organisations need to maintain their engagement. There

is limited evidence on post-accreditation support which, alongside the rest of the evidence on delivery, accreditation and re-accreditation, could be researched more extensively.

2.4   The impact of IIP on organisational performance

The table below details the areas of the analytic framework and the evidence base covered in this section. A table summarising the literature covering the impact of IIP on employers is detailed in the Annex. Issues in measuring impact of IIP on organisational performance are first discussed, alongside some of the models that have sought to explain how inputs, such as IIP, can have an effect on organisational performance and business outcomes. The later sections (2.4.1, 2.4.2 and 2.4.3) detail the evidence on the impact of IIP on training, on operational performance indicators and on business outcomes.

Table 2.5: Analytic framework: The impact on organisational performance

Stakeholder	Evidence of Perspectives on Impact of IIP
Employers	Training: volume, type, kind of employees targeted.
	Other measures of performance outcomes:
	a) employee attitudes, behaviour, turnover, commitment
	b) operational performance indicators (activity and outputs): product/service quality, productivity, staff attendance, management practices, capacity to manage innovation/change
	c) business outcomes: profit/efficiency, shareholder value, customer satisfaction/complaints.
	Variations in impact by organisation type (size/sectors), stage of development of an organisation (diversifying/expanding) and product market strategy (cost/quality/ innovation).

Source: IES, 2010

There are two key issues in assessing the impact of IIP on organisational performance: measures used to assess impact, and variations as to reasons for engagement.

Much of the primary research assessing the impact of IIP relies on senior managers' and employees' perceptions of improvement within the business. While this is a useful and valid measure of firms' satisfaction with the scheme, it may not provide an accurate picture of objective impact, partly because staff involved in implementing IIP may be inclined to justify their time and the firm's expenditure on the scheme and employers may only recognise the benefits after having gone through the process.

There are also likely to be differences in the impact of IIP and how this is measured by organisation type. For example, whereas private sector organisations might focus on the financial return, public sector organisations are managed on a different basis. In general, the financial effects on public sector organisations have been excluded from the research analysis.

The ease of selecting appropriate measures to assess the impact of IIP will also be affected by the different reasons employers engage with it and the varying objectives they want to achieve. Rayton (2007) uses the WERS panel data to show that those organisations who signed up to the Standard when they had a low level of training were more likely to experience benefits, because the process of becoming accredited is likely to have focused attention on the role of training in supporting organisational performance. Operational measures such as staff turnover and absence are influenced by a number of factors in addition to IIP, but there are closer connections between these measures and IIP compared to the links between IIP and financial performance, which is influenced by a number of other variables.

There is also evidence to suggest that the business benefits of IIP are related to the extent to which organisations are committed to the scheme. Those organisations that are truly committed to its principles, as opposed to those who seek IIP accreditation as a badging exercise or to improve their image, are more likely to report an impact on training and development (Tamkin, 2000; Bell et al., 2002). Other research, however, has found that 'badge-seekers' (organisations that commit to IIP in order to improve company profile or as a recruitment aid), often find the process of becoming IIP-accredited reveals wider business benefits (Jigsaw Research, 2007). These issues need to be borne in mind when interpreting the results and evidence presented in this section.

There are a number of models that have been used to illustrate how policies and practices, such as IIP, influence organisational performance and business outcomes. One model, the 'chain of impact' shown in Figure 2.9, developed by Bourne et al. (2008) was based on the findings of an employer survey that showed how IIP-accredited organisations were more likely to perform better financially. Organisations which adopt the practices embedded in the IIP Standard adapt their HR policies. These changes in policy then impact on two aspects of an organisation. First, the HR policies create a positive organisational social climate, creating higher levels of trust, co-operation and employee engagement. Second, the HR policies increase human capital flexibility – the skills and behaviours needed for the organisation to change. The changes in human capital

flexibility and organisational social climate have an impact on non-financial performance. Better non-financial performance then delivers better financial performance (Bourne et al., 2008).

Figure 2.9: How the IIP Standard affects business performance
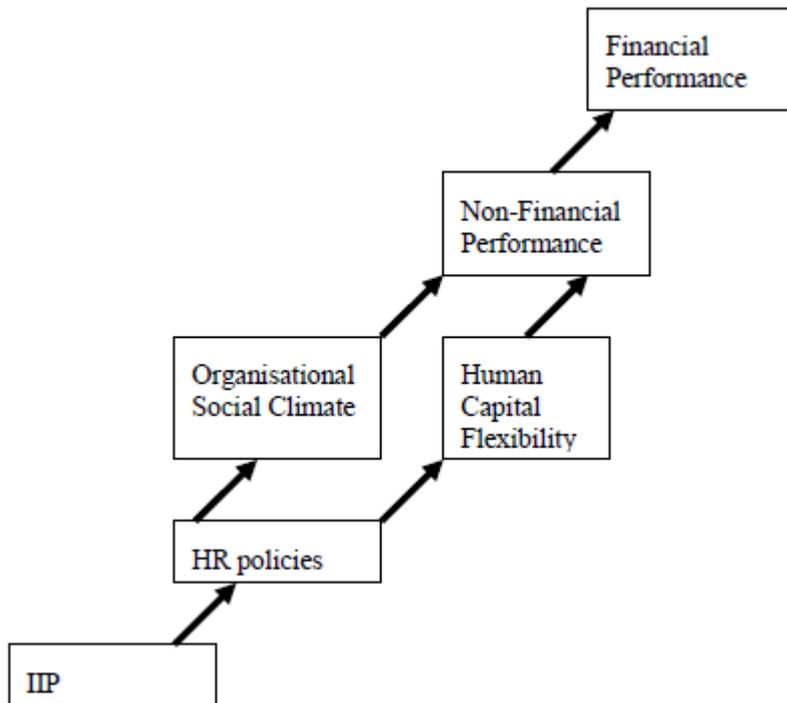
Source: Bourne et. al, (2008)

The 4A model of high performance working capability is another such model and was developed from a detailed exploration of the literature on high performance working. The model covers the core management and business practices identified across a wide range of studies, (Figure 2.10) seeking to capture the range of influences on organisational capability in addition to individual skills. To do this, it identifies two key dimensions of capability: one which ranges from development of capability at one end to deployment at the other; and a second that explores the role of individuals at one end to organisational-wide factors at the other.

Figure 2.10: The 4A model of capability
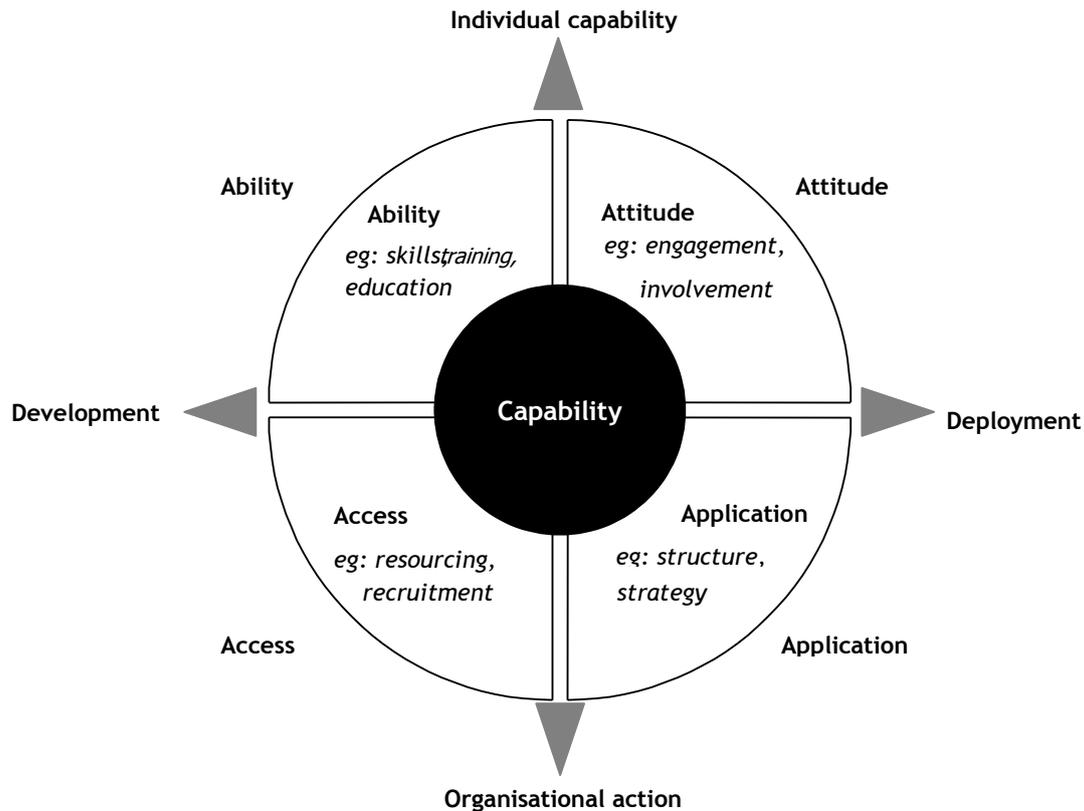
Source: Tamkin P, Giles L, Campbell M, Hillage J (2004), Skills Pay: The Contribution of Skills to Business Success, SSDA Research Report 5

A recent policy review of high performance working mapped the IIP New Choices approach against the elements of high performance working captured in the quadrants of the 4A model. It found that IIP New Choices covered all four of the dimensions of the 4A model, particularly for those organisations wishing to pursue IIP at a higher level (Gold, Silver or Bronze award) (Belt and Giles, 2010).

Tamkin et al. (2008) use the 4A model to show how IIP accreditation might lead to improved organisational performance by encouraging firms to invest in their workforces and adopt more sophisticated processes and practices. The authors provide evidence that IIP recognition is strongly associated with higher scores on four key indicators in their model of capability. They conclude that achieving IIP could therefore provide the framework to improve organisational policy and increase investment, which in turn is associated with better performance on key indicators like profit and sales growth. However, they do stress that it is not possible to infer causality from their research (Tamkin et al., 2008).

The remainder of this section follows the outputs and outcomes identified in the 'chain of impact' above, focusing first on the impact of IIP on training and HR development practices, then on operational performance and finally on business outcomes, including financial outcomes.

2.4.1 The impact on training

Making sense of the evidence about the impact of IIP on training is complicated by the different types of employer training (on-the-job or off-the-job), and also employees' perceptions of what counts as training, and therefore what is reported in surveys. In addition, the volume of training employers undertake is affected by several influences, not least the economic climate. The 2009 National Employer Skills Survey for England found that while the proportion of employers providing training has remained stable since 2007 (at 68 per cent), the number and proportion of staff receiving training has fallen (table 2.7) (Shury et al., 2010). This indicates that while similar proportions of employers are still training, they are training fewer employees.

Table 2.6: Workers trained in last 12 months

	2007	2009
Workers trained in last 12 months	14 million	12.8 million
Proportion of all workers receiving training in last 12 months	63	56
Proportion of workers receiving training in last 12 months in establishments that train	72	63

Source: Shury et al., 2010

The same survey also found that IIP accredited employers typically spend more on training (£74,800 per establishment) than those who have never been involved with the Standard (£27,200), although these figures do not take into account organisation size. However, even in the smallest employee size band (fewer than five staff) those establishment's that are IIP accredited report a higher mean investment in training per establishment than those with no involvement (£15,600 per establishment compared to £10,200). This does not necessarily demonstrate that IIP drives investment in training. It is likely that the causation works in both directions – those establishments that invest more on training are also more likely to be those with the most developed HR functions (Shury et al., 2010b).

Overall, analyses of a variety of aspects of IIP show there is no strong evidence to suggest that IIP has increased the quantity of employer investment in training or the

volume of training. This is discussed in the policy review undertaken as part of the recent Collective Measures study (Cox et al., 2009) and recognised as a potential weakness in using IIP to achieve training related policy goals (Devins et al., 2009).

Three of the studies reviewed earlier in this report have tried to estimate the effects of IIP on the volume of training employees receive, and the results are mixed.

One of the earliest evaluations of IIP found IIP accredited employers provided more off-the-job training than employers who were not involved. Non-participants provided more on-the-job training than IIP accredited organisations (Hillage and Moralee, 1996). This pattern between the volume of on-the-job and off-the-job training offered by IIP accredited and non-IIP accredited organisations is not supported by analysis of WERS 1998, although this analysis was limited to employees in the largest occupational group rather than all employees. Here employees in the *largest occupational group* within IIP accredited workplaces were no more likely to have had off-the-job training in the 12 months prior to the WERS survey than employees in non-IIP-accredited workplaces (Hoque, 2003).

The evidence indicates that employees in IIP accredited organisations more frequently accessed longer periods of training than employees in non-IIP accredited workplaces (Rayton, 2007). Using data from WERS, Rayton (2007) compares employees' and managers' reports of training volume between 1998 and 2004. There were no detectable changes in probabilities of staff receiving up to two days training, but the data show that employees of IIP-accredited companies were more likely to report an increase in training lasting at least two days in the last year.

Aside from the volume of training, the evidence has also explored employers' views of the impact of IIP on the quality or effectiveness of training. Much of the evidence has found that employers perceive the effectiveness of training to have improved as a result of engaging with the Standard (Douglas et al., 1999; Cox and Spires, 2002; York Consulting, 2005; Hillage and Moralee, 1996; Tamkin et al., 2000; Harris, 2000). However, this evidence has predominantly relied on employers reporting their perceptions of quality and has not sought to objectively review and assess the quality of training in IIP accredited and unaccredited organisations.

The 2007 Improvement Programme provided funding for IIP Scotland to deliver IIP as a structured learning journey, encompassing five management workshops, access to IIP interactive online tool, one-to-one support and an IIP assessment. This has focussed on

management capability (an aspect of 'training'). Despite a couple of early difficulties, the programme was deemed to be largely successful with many companies reporting improvements in their knowledge and behaviour around strategic planning and effective management, organisational culture and communication, and recruitment and training, (Frontline Consultants 2009).

2.4.2   The impact of IIP on operational performance indicators

Several commentators have noted that IIP commitment or accreditation positively influences operational performance indicators. These measures have included management practices and productivity. We consider first the evidence about the effect on management practices.

One recent report based on mixed methods research found that IIP facilitates a structured approach to development and challenges organisations to improve their strategies for developing managers. IIP recognition had a positive effect on the capabilities of managers (assessed in terms of their knowledge, experience and skills). Managers in IIP accredited organisations were also likely to benefit from more autonomy and freedom to decide what to do and how to do their job, and IIP accredited companies were found to have a stronger organisational learning culture and more effective managerial development practice than non-accredited organisations (Bourne and France-Santos, 2010). Effective management development practice, as noted by integrated HR policies and organisational strategy and more effective evaluation of training and development were also found by Alberga et al. (2007).

A 2002 report shows that many IIP organisations had made fundamental changes to their operational practices. For instance, 32 per cent of accredited companies had started to communicate the business plan to employees, while 27 per cent had developed a system for evaluating training and 26 per cent had introduced a formal training plan. Additionality (making changes as a result of IIP that would not have happened anyway) of IIP was estimated to be 45 per cent for accredited organisations and 52 per cent for committed ones. This was highest amongst small and micro enterprises (Cox and Spires, 2002).

Other smaller scale research has also found similar links between IIP and improvements in operational performance. A survey of Scottish employers in the private sector reports that almost all (93 per cent) had made changes to their business and of these, two-thirds (66 per cent) said that IIP had been influential in informing the changes that were made.

The main area in which change was made was leadership and management (50 per cent) (Databuild, 2004).

A number of studies have explored the links between IIP and improved productivity and have typically found that about half of IIP accredited employers self-report these effects. IFF (2007) reported that 48 per cent of companies said IIP had improved their productivity and efficiency. In Hillage and Moralee (1996), 46 per cent of employers identifying a benefit reported that productivity increased as a result of IIP. Estimates from the 2009 CBI Skills Survey are slightly lower, showing that one-third of employers interviewed claimed IIP had improved productivity, while 30 per cent saw improved performance and nearly a quarter saw efficiency improvements. Alberga et al. (1997) also found through a survey of 455 senior managers across five sectors, that IIP accredited employers more frequently reported increased productivity than non-IIP employers.

Most studies linking IIP and productivity have relied on employers self-reporting this information. There has been less research looking at data to prove this link. The only such study we reviewed was Hambeldon Group's (2000) study of accounting data. This found that medium-sized IIP companies started with more employees than the median company and four years on this was still the case, but they were now increasing employee numbers at seven per cent below the median rate. They concluded that this indicated increasing firm-level productivity, a conclusion that was also supported by evidence of a faster improvement in sales turnover per employee than the median.

The evidence about the impact of IIP on the quality of service or production is more limited still. Hillage and Moralee (1996) reported that 46 per cent of employers surveyed felt that IIP had resulted in a better quality of service/production (46 per cent). This finding is supported by Alberga et al. (1997).

2.4.3   The impact of IIP on business outcomes

A number of researchers have attempted to evaluate the effect of IIP on financial business outcomes. Some have used self-reporting by employers of their views of the effect of IIP on their organisation's financial performance, such as Hillage and Moralee (1996). This study found that 43 per cent of employers attributed an improved financial performance to IIP. Other studies have attempted to measure the effect of IIP by using accounts information on profits and turnover to identify the effect of key variables such as size, sector and IIP accreditation on the bottom line. This research tends to focus on hard outcomes (such as profit per employee or return on assets), and does not capture

company culture and factors that are also likely to affect profit and other business outcome variables. Therefore, even where an improvement can be shown over time following accreditation, it is difficult to identify the extent of the contribution made by IIP. Long-term impacts such as these are generally more difficult to identify. Therefore only three studies have explored a causal link between IIP and financial performance using financial accounting data. Each is now discussed in turn.

Hambeldon Group (2000) analysed the performance of medium and large IIP-accredited organisations in 1994 (before IIP accreditation) and 1998 (after IIP accreditation), compared to the median. They found that IIP increases profits, but noted that the findings require caution as it was not possible to identify the extent to which this improvement was a direct result of IIP, since there are likely to be other factors that influence their improvement that were not captured in the analysis. Medium sized IIP-accredited companies started below the median 'profit per employee', and by 1998 exceeded it, while large IIP-accredited companies started 13 per cent above the median and by 1998 were 29 per cent above it (Hambledon Group, 2000).

In another study organisational financial data was analysed alongside a 2010 survey of 403 employers. It showed that profitability (assessed by profit margins and profit per employee) is improved through the impact that IIP had on managerial performance, which in turn created the conditions for achieving greater financial and non-financial performance (Bourne and Franco Santos, 2010).

Finally, Cowling (2008) analysed financial data and reported that IIP accredited organisations generate higher gross profits per employee than non-accredited organisations. The analysis controlled for age of firm, size and sector. The research sample consisted of firms with more than 25 employees therefore it is not clear whether this level of profitability per employee is transferable to very small organisations.

There is some evidence that IIP can have a positive effect on financial performance for some organisations. However, the methodological difficulties with estimating the effects of IIP on financial outcomes mean that this area would warrant further research. In addition, most evidence reporting a positive financial return from IIP accreditation has not taken into account of the costs of obtaining IIP and employers will also consider these when deciding whether or not to seek IIP accreditation.

2.4.4   Summary

There is evidence that IIP has a wide range of organisational impacts, but that these can differ from one organisation to another reflecting organisational characteristics and motivations for undertaking IIP for example, factors which are not usually accounted for in the research – i.e. there is no objective baseline position established for the organisation. The impacts relate to training, operational performance and business outcomes.

Several models have been put forward in the literature to demonstrate the impact of IIP on organisational capability and the ensuing financial and non-financial outcomes. The Standard links well to all areas of high performance working (as illustrated in the 4A model) and could be one mechanism by which firms can structure the implementation of high performance working practices.

Research suggests IIP-accredited employers typically invest more in training, and that employers perceive the effectiveness of training to have improved as a result of engaging with IIP.

Many studies examining the effects of IIP on productivity have done so using subjective, self-reported assessments as opposed to using datasets to prove a correlation. Methodological difficulties have also been cited in determining the financial outcomes to IIP accreditation. Overall, additional research estimating the productivity and financial gains to IIP investment is required.

2.5   Conclusion

Overall, although IIP awareness has remained strong over the past few years, the number of IIP accredited organisations has fallen recently. A high proportion of public sector establishments and large employers are IIP-accredited. This pattern of take-up may well have policy implications for encouraging a greater number of small, private sector organisations to engage with IIP as they are underrepresented in terms of IIP engagement.

Employers cite a variety of motivations in undertaking IIP. Barriers to IIP take-up include perceived cost, time investment and bureaucracy. Much of the literature in this area is dated, however, and does little to attempt to examine why employers do not achieve accredited status. Some employers would benefit from further evidence documenting the business benefits resulting from IIP accreditation to assist them in the decision-making process.

There is a need to advance our understanding of employer perceptions of IIP delivery and the process of gaining IIP more generally. The number of IIP accounts not seeking re-accreditation has risen in recent years, which also requires further investigation.

Research suggests that IIP-accredited employers typically invest more in training, although this does not demonstrate that IIP leads to greater investment in training as firms who invest more are also likely to have more developed HR functions. Much of the evidence on the effects of IIP on organisational capability is inconsistent, due in part to the flexibility of the Standard and the motivations of the organisation in engaging with IIP. A comprehensive assessment of the impact of IIP should take account of the starting position of organisations on a range of 'success' indicators and then tracking change through the IIP journey. Attempting to open up this 'black box' may go some way towards demonstrating the impact of IIP on organisational capability.

3   Employees' Perspectives on IIP

This section presents the evidence about employees' perspectives on IIP. The table below shows the relevant sections of the analytic framework about which we sought evidence. Generally, employee perspectives about IIP have not been the main focus of the literature which has tended to concentrate on IIP as a tool for employers and the impacts for them. Therefore, employees have also not been the focus of the research, and the evidence tends to be drawn more on employer reported views of employee perceptions. While this is a helpful proxy measure, employees' views may differ from those that are reported by their employer. Employers who have been involved in implementing IIP may be positively inclined towards it and seek to justify their firm's involvement in the scheme by reporting employee benefits.

Table 3.1: Employees' perspectives on IIP

Stakeholder	Evidence of Perspectives on Levels of Engagement with IIP	Evidence of Perspectives on Process of Gaining IIP Accreditation	Evidence of Perspectives on Impact of IIP
Employees	Understanding of the purpose of IIP in theory and practice.	Involvement in and perceptions of process of gaining IIP; eg views on consultation concerning business strategy, training needs analysis, appraisal, experience of training.	Long-term impact on individual outcomes: pay, training, promotion.

Source: IES, 2010

3.1   Employee awareness of IIP accreditation and its purpose

There is evidence to suggest that some employees working in IIP organisations are unaware that their organisation is IIP accredited (Cox and Spires, 2002; Databuild, 2007). If employees are not aware their organisation is IIP accredited then it will limit the extent to which they are able to self-report in research their views and understanding of the Standard. Databuild's (2007) survey of 107 employees in IIP accredited organisations in Scotland concluded that limited employee awareness of IIP suggested that some employers were *'doing IIP better than others'*.

There is sparse evidence about employee understanding of the purpose of IIP in theory and in practice. Cox and Spires' (2002) survey of employees in IIP companies had 278 responses (the response rate and the sampling strategy is not given) and found that 56 per cent of employees said they understood what IIP aims to achieve, but the research did

not explore what employees understood IIP to be in more detail. Some qualitative research has suggested that employees tend to perceive IIP to be about training and anticipate that IIP will increase their chances of receiving training at work. This is discussed below (Section 3.5) in employee access to training, where there is the largest body of evidence. First the evidence about employees' views on their involvement in and experience of the process of gaining IIP is discussed, then the evidence relating to employee understanding of the business and its objectives, and lastly employee motivation and staff turnover.

3.2   Employee understanding of the business objectives

Three studies have explored whether employee understanding of business objectives is affected by IIP and all have found it has an impact. An early evaluation of IIP found that nearly six in ten employers reported that IIP had improved employees' understanding of the business (58 per cent) (Hillage and Moralee, 1996). This is corroborated by York consulting (2005) who reported that two-thirds of employers (67 per cent) claimed the Standard had improved understanding amongst employees about how they could meet the objectives of the business. In a case-study of an NHS organisation, Smith (2000) also found evidence that IIP had started to change the organisational culture as employees were reported to recognise the importance placed on them to develop in line with the trust's objectives.

3.3   Employee satisfaction and motivation

The evidence about the effects of IIP accreditation on employee satisfaction and motivation draws both from research with employees, which has tended to be small scale, and from research with employers who report their perceptions of IIP impact on their employees.

The evidence suggests that IIP can influence employee satisfaction and motivation. However, employee satisfaction and motivation as a result of IIP accreditation may be influenced by employee perceptions of their employers' reasons for engagement with IIP. Where staff felt that IIP was introduced as a 'badge' then this could create cynicism, whereas if it was implemented as a means to bring about organisational change, employees could be more positive (Berry and Grieves, 2003; Douglas et al., 1999).

The most extensive employee survey found was undertaken in Scotland and involved interviews with 106 employees in IIP accredited organisations and 61 employees from

non-IIP accredited organisations. This study found that staff members in IIP accredited organisations were more satisfied than staff in non-IIP accredited organisations, both overall and with their training and development opportunities and salary and benefits (Databuild, 2007). However, the research examined employee perceptions and did not assess the extent to which salary and benefits or levels of training and development may have actually differed between IIP and non-IIP organisations.

The same study also found some evidence to suggest a change in the effects of IIP on employees over time, and it indicated a tapering off effect on employee attitudes, such as satisfaction, over time as practices lose their novelty. IIP was found to have had a larger influence on employee satisfaction among employees in organisations that had been IIP accredited for less than three years than for employees in organisations that had been IIP accredited for three years or more (Databuild, 2007).

Other research with employees has been more small scale and predominantly formed the basis of case-studies. In one case-study of a hospital trust, Grugulis and Bevitt (2002) found that as a result of the IIP process, appraisals were extended to all staff. Staff were generally positive about having appraisals and two-thirds reported that these had had a positive effect on their job satisfaction and motivation. Overall, staff were positive about improving communication processes and 60 per cent said that being kept informed had some effect on job satisfaction and motivation. Whilst job satisfaction overall was high among staff, the research found little evidence that staff directly linked these changes to the IIP status of the trust. Less than 13 per cent of employees agreed with the statement that gaining IIP had made them feel more motivated or increased their job satisfaction and over one-third disagreed with this statement.

The remaining research about the effects of IIP on employee satisfaction and motivation has examined employer perceptions. In a survey of 120 local authorities that had achieved IIP, Berry and Grieves (2003) found 35 per cent of employer respondents claimed that IIP had motivated the workforce. In surveys covering all sectors employers reported employee commitment and motivation was higher as a result of IIP. In 1996, Hillage and Moralee found that employee commitment to the organisation was cited by 51 per cent of IIP organisations as a benefit of achieving IIP (Hillage and Moralee, 1996). Most recently, the IIP Tracking Study found that 62 per cent of employers agreed that IIP leads to improved staff commitment and motivation (68 per cent of accredited employers and 55 per cent of non-accredited employers (Ipsos MORI, 2010).

Bourne et al. (2008) found that companies that are IIP accredited show evidence of higher levels of trust, commitment and co-operation among employees compared to non-IIP accredited organisations. Their regression analysis found that IIP has a positive effect on the companies' social climate, indicated by trust, commitment and co-operation among employees.

3.4   Staff turnover

Staff turnover is often used as a proxy measure for employee commitment to an organisation.   The evidence about the impact of IIP on staff turnover and employee retention is mixed. Bourne et al. (2008) found that IIP had no impact on the level of staff turnover, whereas Harris (2001) found that 25 per cent of employers said IIP improved employee retention. The methodology deployed by Harris' research relied on employers self-reporting impacts, whereas Bourne et al. (2008) used regression analysis, so this evidence may be more objective. It also highlights methodological difficulties described earlier and the extent to which there may be differences between what employers report to be the impacts and the impacts that are independently observed. There may also be broader changes in the labour market which influence turnover and affect the results of the two studies.

3.5   Access to training

Of all the ways in which employees may be affected by IIP, the effects on access to training have received most attention in the literature, perhaps because it has been the main interest of academics conducting the research. A particular focus has been access to wider developmental training beyond that required for the immediate job and on equity of access to training between different groups of staff. The research has used two main methodologies: organisational case-studies and analysis of WERS data. Survey data is likely to provide a more robust overall picture of employee access to training, while the case-study research can illustrate specific issues and dynamics of IIP impact within a firm. First we look at the survey data, and then explore this further through the case-study work. Finally we present the evidence about the equity of access to training.

In analysing the 1998 WERS data, Hoque (2003) found that employees in IIP accredited workplaces were more likely than employees in non-IIP workplaces to report that they had received training, they were more likely to have discussed training needs with their supervisor/line manager and they were more likely to respond favourably when asked whether people at their workplace were encouraged to develop their skills. In analysis of

the 2004 WERS data, Rayton (2007) also found that IIP accreditation was associated with a small improvement in the level of agreement with the statement that managers *'encourage people to develop their skills'.*

However, in WERS 1998 nearly one in four non-management employees in IIP accredited workplaces either disagreed or disagreed strongly that people at their workplace are encouraged to develop their skills (Hoque, 2003). In the analysis of the 2004 WERS data fewer staff in IIP accredited workplaces disagreed (strongly) with this statement (Hoque, 2008). This suggests a reduction in negative employee impressions of training activity in IIP workplaces over time and an increase in positive impressions of training activity.

Negative non-management employee impressions of training activity in IIP workplaces may have been decreasing over time, but looking at the actual incidences of training, fewer employees in lower grades are likely to receive training. In managerial and professional occupations, 21 per cent of management employees did not receive training in the 12 months prior to the survey, compared to 41 per cent of non-management employees (Hoque, 2003). Analysis of later WERS data found that this pattern of training remained the same. In 2004, 29 per cent of all respondents in IIP workplaces did not receive training in the 12 months prior to the survey: 18 per cent of managers and professionals and 37 per cent of non-management employees (Hoque, 2008). In a review of literature, researchers suggest that this could be because staff are more likely to undertake and identify 'hard' learning in surveys while 'soft' on-the-job learning undertaken by junior staff may not be recognised by employees as training, or indeed captured effectively in surveys such as WERS (Bell et al., 2004).

There is a body of case-study evidence that suggests linking training and development to organisational performance can reduce access to training for some staff, particularly to the types of development activity that may have a more long-term focus. Collins and Smith (2004) researched IIP in a printing firm and found that as training had become more closely linked to business strategy, most staff were given opportunities to develop to the required level of competence in their job and no further. The authors suggest that IIP may create a ceiling on skills development, particularly for unskilled or semi-skilled employees which can be less likely to expand than professional roles. This is mirrored in case study research of an NHS trust. Grugulis and Bevitt (2002) found that employees believed that their personal development could be hindered by an over-rigid adherence to IIP. In other qualitative research, HR professionals spoke of the tension between enabling employees to access training in support of business needs, versus wider development needs and

non-job related training requests. Where employees had not found it easier to access training since IIP accreditation then staff within the case-studies felt IIP was an *'empty promise'* (Bell et al., 2002).

While there is evidence of differences in access to training between managerial and non-managerial staff in IIP accredited organisation, there is some evidence that shows there is a *greater* evidence of inequality in training in IIP accredited workplaces than non-IIP accredited workplaces (Hoque, 2008). Further analysis of WERS 2004 data found that training incidence and duration in IIP workplaces was lower for temporary/fixed-term employees, part-time employees, older workers and disabled employees than training incidence and duration in non-IIP-workplaces. A comparison with 1998 WERS data showed that the same pattern was demonstrated then (although equal access to training was not part of the IIP framework then). Hoque concludes that *'between 1998 and 2004, inequality of training provision became more wide-spread in IIP workplaces, but less widespread in non-IIP workplaces'* (Hoque, 2008, p.53). Hoque's analysis did not look at *why* these inequities exist. It could be that the IIP process of linking training and development to business objectives means that some job roles and employees are therefore more likely than others to receive training than others, as suggested by Bell et al. (2004). While this raises legitimate concerns about equity of access to training for individuals, it is an entirely logical outcome which is consistent with one of the objectives of IIP to focus training provision more closely on business needs.

Overall, as noted by Cox et al. (2009), the evidence to date suggests that the changes to the IIP Standard in 2000 to include a requirement that firms commit to equality of opportunity in training and development, introduced because equality legislation alone has not eliminated discrimination, has not had the desired effect. The IIP Strategy may need to consider other ways to foster equality of opportunity towards learning within organisations.

3.6   Employee pay

Only one study has been located which examines whether IIP affects employee pay. The study compared employee pay in IIP accredited companies employing over 50 staff with a matched sample of non-accredited UK companies. It also compared company performance in 1994 before the sample of organisations gained recognition and in 1998 following IIP recognition. It found that in large companies in 1994 pay was roughly level with median earnings, but by 1998 in IIP accredited companies' pay rates had increased to seven per cent above the median. In medium-sized companies pay levels started below

the median, but achieved near parity four years later. The authors conclude the IIP companies seemed to be using their purchasing power to buy higher expertise (Hambledon Group, 2000).

3.7   Conclusion

There is limited evidence on employee awareness and understanding of the purpose of IIP in theory and practice.   Improved employee understanding of an organisation's business objectives as a result of the IIP accreditation process has been reported. This evidence suggests that the quality of training changes as a result of IIP and becomes better linked to business goals.   However, this can mean that access to training becomes more limited and some evidence shows that non-managerial employees are less likely to receive training in IIP workplaces than non-IIP workplaces.

4 Stakeholders' Perspectives on IIP

IIP has a number of different stakeholders: people, groups or organisations that influence, or can be affected by the business development tool. IIP's stakeholders are wide-ranging and include employers and employees (discussed earlier) as well as policymakers and other stakeholders, such as employee representative organisations, employer representative organisations and IIP delivery centres. Their perspectives on the performance of IIP are discussed in this chapter.

4.1 Policymakers' perspectives on IIP

While IIP is a UK-wide standard, skills policy is devolved, with England, Wales, Scotland and Northern Ireland having their own skills agendas and priorities. This section explores how policy has engaged with IIP and how IIP has been promoted, and how this differs between the four UK nations, as well as how it has changed over time (see Section 1.3 for the delivery structure of IIP across the four UK nations).

Table 4.1 below shows evidence about the perspectives of policy makers against the key measures outlined in the analytic framework.

Table 4.1: Policy makers' evidence in the analytic framework

	Evidence of Perspectives on Levels of Engagement with IIP	Evidence of Perspectives on Process of Gaining IIP Accreditation	Evidence of Perspectives on Impact of IIP
Policy makers	Rationale for IIP – does this vary over time and by nation? Target organisations to engage: focus on increased participation in sectors with high take-up versus break into new sectors. Variation by nation. Promotion of IIP, including synergy with other policy levers (eg Skills Pledge, TtG, tax breaks, R&D incentives). Variation by nation. Use/views of legal obligation to achieve accreditation in some circumstances. Variation by nation.	Changes made over time to delivery and support for IIP. Responsibilities and roles (regional and national). Consistency of approach and implications for the Standard.	Evidence of contribution to policy goals, agendas and PSA targets? Centrality of IIP to employment and skills policy (language used/ presence or absence/frequency of mentions). Evidence of interaction with other skills initiatives (ie Train to Gain, LMAS etc.).

Source: IES, 2010

Broadly, two main sets of rationales for IIP can be identified in the policy literature: one that sees IIP primarily as a tool for policy makers and another that sees it as a tool for businesses. The *Fundamental Review of IIP* commissioned by DIUS provided a series of high level scenarios about how IIP could be taken forward (Davis and Cottam, 2007). The review puts forward three scenarios for IIP, which may overlap with each other:

- A policy led scenario where IIP is primarily a tool to achieve policy aims, directed and significantly funded by government.

- A business led scenario where IIP is primarily a tool to help businesses achieve their own goals, still supported by government but not directed by it.

- A market led scenario where IIP is effectively privatised and must rely on market forces for its continuing survival.

The market led scenario is not evident in the policy literature available. For the most part IIP has fallen somewhere between the business and policy led scenarios, though the emphasis varies both across nations and over time. Additionally, the two are not easy to distinguish: business goals such as improved productivity and profitability may overlap with the goals of government.

These positions and the differences between how policy in the four UK nations perceive IIP, and how this has changed over time is illustrated below (Table 4.2) and is discussed for each nation in the remainder of this chapter.

Table 4.2: The policy and business rationale for IIP by nation

	Policy rationale	**Business rationale**
Frequently mentioned in policy documents	Wales UK* (up to c.2006) IIP is mainly presented as a tool for achieving policy goals and IIP frequently features in policy literature	Northern Ireland IIP is mainly presented as a tool for businesses to achieve their own goals and IIP frequently features in policy literature
Infrequently mentioned in policy documents:		Scotland UK* (after c.2006) IIP is mainly presented as a tool for businesses to achieve their own goals and IIP rarely features in policy literature

* The English policy position is captured in the UK documents.

Source: IES, 2010

4.1.1 Policy perspectives on IIP in England (UK)

Analysis of government documents up to May 2010[1] for this report shows that IIP appears to have become less central to skills policy since 2005. The 2005 skills White Paper (DfES, 2005) presents IIP as a fairly integral part of skills policy and quite highly regarded by government. The fact that 97 per cent of Civil Servants work in organisations with IIP recognition is highlighted as evidence of the government's commitment to IIP. IIP is identified as contributing to a number of policy agendas, in particular raising the standard of leadership and management in UK companies and promoting greater equality in skills provision.

In UK government documents, IIP initially appears to be considered as a policy tool but this perspective shifts towards discussion of IIP as a business tool over time. The 2005 White Paper (DfES, 2005) does not explicitly spell out a rationale for IIP, it is presented as one of a number of elements of a demand led skills strategy and one of a number of tools used by government to achieve its aims of improving the UK's skills base.

The Leitch Review (HM Treasury, 2006) mixes policy and business rationales for IIP describing it as a way to engage employers in workforce development (a policy aim) and a way to help businesses improve performance (a business aim). However, the then government's response to Leitch, *World Class Skills: Implementing the Leitch Review of Skills in England* (DIUS, 2007) does not discuss engaging employers in skills development and only mentions IIP as a way to help businesses improve their performance.

Similarly in DIUS' (2009) *Skills for Life* pamphlet and the *Skills for Growth* White Paper (BIS, 2009) IIP is referred to as a business improvement tool. However, *Skills for Life* illustrates the extent to which business and policy aims can overlap, as it discusses how IIP can help raise levels of adult literacy and numeracy as it presents the benefits for firms to have a numerate and literate workforce (DIUS, 2009).

There is some evidence of cross promotion of IIP with other policy levers. For example, *Skills for life* (DIUS, 2009) is aimed at alerting businesses to ways they can improve the basic skills of their employees and includes IIP as one of a number of forms of work-based training alongside initiatives like Train to Gain and the Skills Pledge.

---

[1] Policy documents for the Coalition Government have not been reviewed for this report as most of the literature review was conducted between June and July 2010.

The Leitch Review (HM Treasury, 2006) praises the impact of IIP, specifically mentioning IIP's role in improving management skills, but suggests its remit needs to be reviewed to ensure it fits with the priorities laid out in the review. Leitch is also critical of the large number of publicly funded bodies, like IIP UK, which it claimed were making the skills system overly complex for employers. In the government's response to the Leitch Review (DIUS, 2007), a review of IIP was promised and then undertaken (see Davis and Cottam, 2007), but overall IIP is given less of a priority than other (newer) initiatives such as the Skills Pledge, Train to Gain and Apprenticeships.

The general tone of the review of IIP undertaken following the Leitch recommendation is positive. It suggests that IIP has been a success and that it enjoys support amongst employers; however, it is also noted that there is a *'clear appetite for change… as to how IIP is led and positioned'* (Davis and Cottam, 2007)*.*

However, there appears to be a marked decline in the importance attributed to IIP in English skills policy documents. Notably neither *Ready to Work, Skilled for Work* or *Unlocking Britain's Talent* (DIUS, 2008a; DIUS, 2008b), which both seek to outline how the government can help businesses with training and workforce development, mention IIP at all.

Both *Strategy for Sustainable Construction* (HM Government, 2008) and DIUS' (2009) *Skills for Life* suggest IIP can make a contribution to broader policy goals, such as promoting sustainable construction, and contributing to raising levels of adult literacy and numeracy through work based training. Finally, in the *Skills for Growth* white paper (BIS, 2009) IIP is mentioned only in the context of IIP UK's takeover by UK Commission. Compared to other documents, particularly those from the devolved nations, there is less importance placed on IIP as a tool to achieve broader policy aims and objectives.

Where policy makers have considered targeting IIP at specific organisations, it is most commonly at small- and medium-sized enterprises (SMEs). A number of policy documents identify small businesses as an area of concern for IIP. The *Fundamental Review of IIP (*Davis and Cottam, 2007*)* suggests that funding would need to be available to target hard to reach SMEs in either a policy led or business led scenario, though this funding would be more targeted in a business led scenario.

Where there was subsidy available for organisations committing to IIP in England this appears to have had an effect on take-up. The large peak in the number of IIP

commitments in England mirrors the time period for the SFI which ran between 2002 and 2005 (Figure 4.1).

Figure 4.1: IIP commitments in England over time
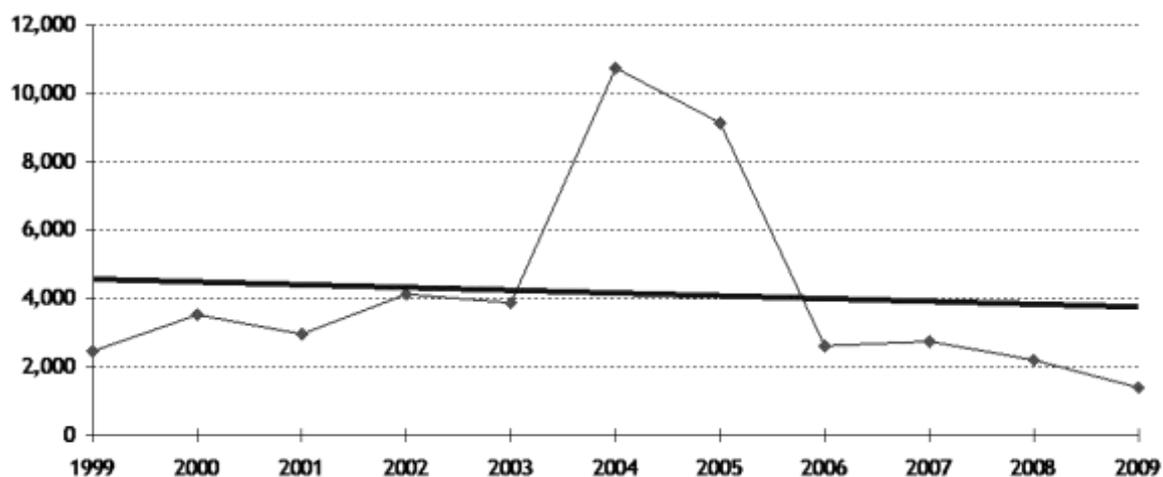
A legal obligation to achieve IIP might be one other way of increasing uptake, however there appears to have been little consideration in policy of introducing such measures. DfES (2005) suggests integrating IIP into government procurement guidelines. This could be seen as in all but name a legal obligation for firms doing business with the government to be IIP accredited. However, this proposal appears to have been only partially developed, but could be further considered in future. Some procurement contracts require IIP accreditation (UKCES, 2010) but including an IIP requirement in all contracts could potentially conflict with value for money requirements in the government procurement process (see, for example OGC, 2009).

The Leitch Review (2006) discusses placing a legal obligation on employers to provide training but does not mention IIP in this context. The *Fundamental Review of IIP* (Davis and Cottam, 2007) considers a variety of ways government might enforce IIP accreditation as part of a policy led approach to IIP, for example making IIP accreditation compulsory for public sector organisations and making it a part of the public procurement process. However, the review notes a number of disadvantages to this approach. In particular, it could be politically difficult to enforce, and it may alter the reasons employers engage with IIP and increase engagement for reasons other than business improvement. The review also notes that making IIP accreditation compulsory for public sector organisations could

give the impression that IIP is primarily for the public rather than private sector organisations.

4.1.2 Policy perspectives on IIP in Wales

In Wales, the rationale for IIP appears to be more explicitly policy oriented. For example, in *Skills That Work for Wales* (WAG, 2008) IIP is presented as part of the Assembly Government's workforce development plan and described as *'the Standard that best supports the development of the workforce'*. A business rationale for IIP can also be identified in the earlier *Skills and Employment Action Plan for Wales 2005* (WAG, 2004) which describes IIP as providing an overall framework for business improvement, helping businesses set objectives and developing their employees to meet these.

IIP features centrally in skills policy in the recent past. The language used in Welsh policy documents is particularly positive. The Assembly Government declares it is 'committed' to IIP (WAG, 2008). IIP is described as having an *'established position in workforce development'* (WAG, 2004) and *'the Standard that best supports the development of the workforce'* (WAG, 2008). Alongside this, more effort has been made to integrate IIP within skills policies more generally. WAG (2004) proposes that IIP Standards would be utilised in Workforce Learning Accounts, a package of measures to support businesses in developing the skills of their workforce, to help businesses identify their training needs. The 2008 action plan (WAG, 2008) sets out proposals to integrate IIP into the Workforce Development Plan (a progression of the Workforce Learning Accounts mentioned above). Furthermore, IIP is also expected to make a major contribution to the Assembly Government's aim of improving leadership and management in Wales.

4.1.3 Policy perspectives on IIP in Scotland

In Scotland the business rationale for IIP is more strongly emphasised. The Scottish Government (2009) describes IIP as a *'business driven improvement tool'* helping businesses raise their skill levels and better utilise the skills of their workforce. The Scottish Government (2009) suggests that tying IIP status to public funding has *'sometimes created the wrong motivation for IIP'* and implied that IIP is an external accreditation process undertaken for its own sake, rather than as a business improvement tool. The more IIP is considered as a business improvement tool as opposed to a policy tool, the less likely any kind of legal obligation is to be introduced.

IIP appears in the 2010 skills strategy, *Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth.* The strategy provides a clear endorsement and positioning of IIP within the skills utilisation agenda. IIP is described as an "enabler," (Scottish Government 2010) to achieving the Scottish Government's ambition for high skill, high productivity, healthy workplaces that enable people to perform at their best. The Scottish Government emphasises their support in strengthening and promoting IIP in their role of assisting organisations improve their performance through people.

4.1.4   Policy perspectives on IIP in Northern Ireland

In Northern Ireland the business rationale for IIP is strongly emphasised. DELNI suggest the main role of IIP is to help align skills development with business goals (DELNI, 2006; DELNI, 2007; DELNI, 2008) and as a framework for business improvement (DELNI, 2009a).

The importance of promoting IIP is particularly emphasised in Northern Ireland. The main objective for IIP in the Northern Irish skills strategy (DELNI, 2006) was to develop a new marketing strategy designed to increase take-up. This was completed in 2008 (DELNI, 2008a). The New Choices approach has been introduced to IIP customers in Northern Ireland. The core Standard remains the foundation for organisations working with IIP and additional recognition is suggested by centres in cases where it brings value to firms and can be aligned to business objectives and priorities. Additionally, awarding IIP status to firms is a high profile event at Hillsborough Castle, attended by Ministers. These events may have helped to sustain interest in IIP in Northern Ireland.

In Northern Ireland, IIP has a relatively prominent position in skills policy documents. It is mentioned in all skills strategy documents and progress reports (DELNI, 2006; DELNI, 2007; and DELNI, 2008a) and is frequently included in Departmental Skills Newsletters, for example in the form of case studies of IIP accredited businesses (DELNI, 2008b). DELNI (2007) includes a target of increasing IIP accredited organisations by 120. However, for the most part the discussion of IIP in these documents focuses on the marketing of IIP, there is little consideration of the role of IIP within skills policy or how it might contribute to policy aims. A notable exception to this is that IIP is identified as a part of DELNI's response to the recession. IIP is identified as a way of encouraging businesses to continue to invest in skills and training through the recession (DELNI, 2009b). This reflects a policy stance under which the role of IIP is accepted as important to achieving policy objectives.

4.2   Other stakeholders' engagement with and perspectives on IIP

Besides employers and employees, IIP has a number of other stakeholders as either delivery partners or bodies that might influence perceptions and take up of IIP. These include unions, employer representative organisations, such as the Confederation of British Industry, and Sector Skills Councils, as well as business support services and delivery centres that oversee the delivery of IIP assessment. This section presents the evidence from the literature about their engagement with IIP, their views on delivery and the impact of IIP, as set out in the analytic framework (Table 4.3). Compared to the literature about the perspectives of employers, literature about stakeholder engagement with IIP is somewhat limited, and we found no evidence about the perspectives of some stakeholders, such as Sector Skills Councils.

Table 4.3: The analytic framework for stakeholder perspectives

Stakeholder	Evidence of Perspectives on Levels of Engagement with IIP	Evidence of Perspectives on Process of Gaining IIP Accreditation	Evidence of Perspectives on Impact of IIP
Stakeholders (I): trade unions, employer representative organisations, SSCs	Degree of favourability of perceptions towards the Standard. Variations by stakeholder and location.	Views on delivery mechanisms.	Evidence of any change in degree of endorsement provided to IIP to influence members/employers.
Stakeholders (II): delivery centres, business support services	Centrality of IIP to offer relative to other business support services. Use of other initiatives/services to promote IIP take-up.	Perceptions of changes to the Standard and delivery framework and effect on ease/difficulty of supporting organisations to gain accreditation.	Impact of changes to IIP on performance metrics related to provision of support services.

Source: IES, 2010

4.2.1   Employer representative organisations

In a recent document the Confederation of British Industry (CBI) set out their continued commitment to IIP, and noted that as a policy measure it demonstrated the strength of a voluntary approach to training. In the same document the CBI noted their view that IIP delivers business benefits. They argued that IIP should not be simply a tool for government policy and that the focus should be on engaging smaller firms with the Standard, who they say are in most need of support to formalise their HR practices and to understand the business benefits of training (CBI, 2009). The British Chamber of Commerce *UK Guide to Education and Skills*, makes reference to IIP in a number of

contexts, for example in an organisation case-study, but does not explicitly set out their support for IIP in the same way as the CBI have done (BCC, 2009).

4.2.2   Unions

Unions were involved in drawing up the original IIP Standard in 1992 and are continually involved in discussions and agreements on new developments and changes to the IIP Standard (unionlearn, 2008). The TUC and IIP UK have an ongoing joint memorandum of understanding to work together to promote the IIP framework and the role that unions play in workplace learning.

Union Learning Representatives (ULRs) have been encouraged to engage with IIP because of the benefits unions believe IIP can offer both themselves and their members. Unions believe that IIP is a good way to promote the role of unions in supporting workforce development and a way to ensure diversity and equality of opportunity within the workplace (although as noted earlier, some evidence questions this). Unions also support IIP as they believe it helps organisations to develop a culture of learning and assists their members to make the most of their skills and talents. Nevertheless, some trade union officials and ULRs are not convinced that IIP does have benefits for their members because they believe some employers pay lip service to the principles behind the award while others get the award and then revert to business as usual (unionlearn, 2008).

4.2.3   Business support advisors and assessors

The main piece of research exploring the views of IIP among business support advisors was undertaken in 2003 by the Centre for Enterprise and involved a series of qualitative interviews with small business advisors working on IIP, supplemented by five focus groups. Advisors reported that a wraparound service of business advice, of which IIP was only a part, was a crucial factor in engaging small businesses. While some used IIP as a way in, others focused more on offering broader business advice such as planning and communications, and raised the possibility of IIP later once the relationship had been established. This reflected the two key messages advisors would use to 'sell' IIP: as a business improvement tool and as a training/staff development tool. Advisors said they tended to emphasise the business improvement tool message to small employers, as they felt they were less receptive to the training message. The report concluded that having a 'dual' message about what IIP is and can do for organisations confuses the market and blunts the impact of both messages for small business (CfE, 2003).

Advisors have also identified the language of the IIP Standard as being a potential barrier to engagement among small businesses (CfE, 2003). In particular, small companies do not relate well to references to levels of management within the organisation because there may only be one manager in small firms. This means advisors have to be able to translate the IIP framework to small businesses in a way that avoids language becoming an issue. This point was supported by practitioners participating in IFF's (2007) evaluation of the Profile revisions to the IIP Standard. One in three practitioners felt that the language of IIP was not user-friendly, and could in some circumstances put employers off seeking accreditation.

IFF (2007) focused on the changes resulting from Profile and while 49 per cent of advisors surveyed felt that the changes were a significant improvement, 88 per cent felt that the Standard was as a result more difficult to achieve, and several (23 per cent) singled out indicator 4 relating to management and leadership capability as being difficult.

The advisors taking part in the CfE (2003) study also felt that the assessment process could be overly formal and that small businesses tended to prefer a mentoring/informal coaching relationship rather than a consultancy one. The report identifies that the relationship between advisors and assessors could improve, with the assessor being involved throughout the process not just doing the assessment. However, practitioners maintained that the two roles of advising and assessing need to be kept separate, with the advisor having a coaching role and the assessor perhaps having a greater role in action-planning after the assessment (CfE, 2003).

4.3   Conclusion

There appears to be a mixed understanding among some stakeholders of the primary purpose of IIP and the review of the policy literature has revealed some tensions and uncertainty in the way that IIP is positioned, both in its links to wider skills policy and in the employer market. It is unclear whether IIP is primarily a business-led tool, or a policy-led tool, or whether it is somewhere between the two. These mixed messages about IIP's purpose seem to be impacting on perceptions among a wider group of stakeholders, who are influential in the delivery or promotion of IIP.

5   Conclusions

5.1   Summary of evidence

IIP has been used by organisations for 20 years and in that time has become a well known brand, both among employers, employees and policy makers. The Standard is voluntary and fits well with free market principles. The policy and promotion of IIP, including how and whether it is subsidised, seems to have affected employer engagement. At the same time as the Small Firm's Initiative in England the number of IIP commitments and accreditations also rose. However, there has been little evaluation of the effectiveness of subsidies, or public policy on IIP commitment and accreditation.

In the last two years (2008 and 2009) the number of IIP accounts has been falling. This fall can be explained by a:

Reduced inflow – The number of new organisations expressing interest in and committing to IIP for the first time has been falling.

Increased drop out between commitment and accreditation – the number of organisations committing to IIP and not seeking accreditation has been rising. In absolute terms, this is the smallest contributing factor to the fall in IIP accounts.

Increased outflow – with a fall in the number of firms seeking re-accreditation: the number of failures at assessment has remained relatively stable, the increase is explained by the number of organisations not seeking reassessment. In absolute terms, this is the largest contributing factor to the fall in IIP accounts.

It is not yet clear whether this is the result of the recession and firm's tightening spending, policy repositioning or IIP delivery to businesses.

As with other voluntary quality standards such as ISO, there are sector and size patterns to IIP take-up. Small organisations are less likely than large organisations to be IIP accredited. The proportion of IIP accredited organisations in the public and voluntary sectors is also higher than in private sector organisations. This suggests that the issues around engaging organisations with a voluntary quality standard may not be unique to IIP. The challenge remains in the engagement of small private sector firms for IIP to deliver a sustained impact on the organisational development of UK plc.

The evidence suggests a number of reasons why organisations engage with IIP. These include: to improve organisational performance; to manage change; image management; personal ambitions of individual members of staff; and demand from customers in the supply chain. Employers who are not engaged with IIP often cite lack of time, and perceived costs of IIP accreditation, as well as a perception that there would be no benefits for their organisation from IIP.

Those employers that engage with IIP generally view the process of gaining IIP as a valuable one. The extent to which organisations view IIP as challenging seems to depend on the extent to which they have existing processes and formal structures and therefore the distance they have to travel to achieve the award from registering commitment.

There is evidence that IIP has a wide range of organisational impacts, but that these can differ from one organisation to another, depending on their characteristics, motivations for engagement and starting positions. The impacts relate to training, operational performance and business outcomes.

Recent evidence suggests that IIP accredited establishments spend more on training than other establishments, this appears to hold even when taking into account establishment size, although training spend per employee is not provided. However, there is some evidence that the quality of training changes as a result of IIP and becomes better linked to business goals. This can mean that access to training becomes more limited and some evidence shows that non-managerial employees are less likely to receive training in IIP workplaces than non-IIP workplaces. The evidence indicates that the changes to the IIP Standard in 2000 to include a requirement that firms commit to equality of opportunity in training and development may not have had the desired effect because the main focus of the Standard remains on business development through skills.

By linking training to business performance some evidence suggests that a 'chain of impact' follows and that for some organisations the result can be higher levels of profit per employee compared to organisations that are not IIP accredited. The variety of reasons why employers engage with IIP may also affect the benefits that are later realised.

There is a mixed understanding among employers and other stakeholders of the primary purpose of IIP and whether it is a training tool or business development tool or both. The review of the policy literature has revealed some tensions and uncertainty in the way that IIP is positioned, both in its links to wider skills policy and in the employer market and whether it is a business-led tool, a policy-led tool, or somewhere between the two.

In addition to boosting the impacts of IIP on high performance working outcomes outlined in section 2.4, IIP will increasingly need to consider how to encourage employers to achieve sustainable competitive advantage through exploiting factors of production other than cost, namely, quality and innovation.

5.2   Possible further work

The IIP evidence base as a whole is fairly dated, with the majority of the evidence coming from the early part of the last decade. The review has identified a number of other research gaps which will be considered as we develop our forward work programme.

Clarification on the inherent value derived from IIP by long-term accredited employers is required, alongside employer perceptions of the process of gaining IIP from commitment through to post-accreditation. This research can seek to explore areas highlighted in the analytic framework where there are gaps in evidence, including: the responsiveness of IIP to organisational need, organisational engagement with IIP, employer decision making processes and outcomes experienced as a result of engagement with the Standard,

The New Choices approach is yet to be evaluated. The data suggests that approximately 15 per cent of re-accrediting organisations have achieved a Gold, Silver or Bronze recognition. An evaluation of New Choices is important to understand the reasons why organisations do and do not engage with these elements of the Standard, to examine whether New Choices has influenced commitment rates, and retention the flexibility of the approach and user-friendliness.

The evidence on the perspectives of employees is limited about their involvement in the process of IIP and any impact on opportunities for promotion. From a policy perspective there seems to be a lack of evidence on their views of the process of IIP delivery, such as responsibilities and roles and from wider stakeholder perspectives views on delivery mechanisms is also a gap, as is the influence of IIP on performance metrics for business support.

The UK Commission is taking forward some research to fill these gaps as well as developing an evaluation strategy to set out the range of factors which should be coherently assessed to assess the perceptions and impact of IIP in the longer term and which can inform a programme of continuous improvement of the Standard and its delivery.

Bibliography

Alberga T., Tyson S., Parsons D. (1997) 'An evaluation of the Investors in People Standard', *Human Resource Management Journal*, Vol. 7, No. 2, pp. 47-60.

Appleby, A. and Jackson, C. (2000) 'The impact of IIP on TQM and staff motivation in general practice', *International Journal of Health Care Quality Assurance*, Vol. 13, No. 2, pp. 53-64.

British Chambers of Commerce (2009) *UK guide to skills and learning 2009*. British Chamber of Commerce.

Bell, E. (2005) 'How long until we get there? A survival analysis of the Investors in People initiative 1991-2001', *Skope Research Paper Number 56*, Vol. No. pp.

Bell, E., Taylor, S., Hoque, K. (2004) *Workplace training and the high skills vision: where does Investors in People fit?* SKOPE Research Paper 45.

Bell E., Taylor, S., Thorpe, R. (2002) 'Organizational differentiation through badging: Investors in People and the value of the sign', *Journal of Management Studies*, Vol. 39, No. 8, pp. 1,071-1,085.

Belt, V. and Giles, L. (2009) *High Performance Working: A Synthesis of Key Literature*: *Evidence Report 4.* UK Commission for Employment and Skills, Wath-upon-Dearne.

Berry, C. and Grieves, J. (2003) ' "To change the way we do things is more important than the certificate on the wall": does Investors in People represent an effective intervention strategy for organisational learning?', *The Learning Organization*, Vol. 10, No. 5, pp. 294-304.

BIS (2009) *Skills for growth.* Department for Business Innovation and Skills.

Bourne, M. and Franco-Santos, M. (2010) *Investors in People Managerial capability and performance.* Cranfield School of Management.

Bourne, M., Franco-Santos M., Pavlov, A., Lucianetti, L., Martinez, V., Mura, M. (2008) *The impact of investors in people on people management practices and firm performance.* Cranfield School of Management.

Cambridge Policy Consultants (Forthcoming), *Evaluation of Investors in People Delivery in Wales.* DCELLS.

CBI (2009) *Emerging stronger: the value of education and skills in turbulent times: Education and skills survey 2009.* Confederation of British Industry, London.

CBI (2008) *Taking stock: CBI education and skills survey 2008.* Confederation of British Industry, London.

Centre for Enterprise (2003) *The Snakes and Ladders of Investors in People.* Centre for Enterprise, Leicester.

Claytor, A. (2001) *Review of Research and evaluation on Investors in People.* Department for Education and Employment, London.

Collins, L.A., Smith, A.J. (2004) 'Understanding the new Investors in People Standard – lessons from experience', *Personnel Review*, Vol. 33, No. 5, pp. 583-604.

Cowling, M. (2008) *Does IIP add value to business?* Institute for Employment Studies Working Paper.

Cox, M. and Spires, S. (2002), *The Wider Role and Benefits of IIP.* Department for Education and Skills.

Cox, A., Sumption, F. and Hillage, J. (2009) *Review of Employer Collective Measures: Evidence Report 10.* UK Commission for Employment and Skills, Wath-upon-Dearne.

Davis, M. and Cottam, S. (2007), *Fundamental review of IIP: Options paper.* [Unpublished paper].

Databuild (2007) *Impact of Investors in People on the individual.* IIP Scotland.

Department for Employment and Learning (DELNI) (2006) *Success Through Skills, The Skills Strategy For Northern Ireland: A Programme For Implementation.* Department for Employment and Learning, Belfast.

- - - (2007) *Success Through Skills Progress Report May 2007.* Department for Employment and Learning, Belfast.

- - - (2008a) *Success Through Skills Progress Report 2008.* Department for Employment and Learning, Belfast.

- - - (2008b) *Success Through Skills, The Skills Strategy For Northern Ireland Newsletter 5 June 2008.* Department for Employment and Learning, Belfast.

- - - (2009a) *Investors in People: Improving Business Performance.* Department for Employment and Learning, Belfast.

- - - (2009b) *Success Through Skills, The Skills Strategy For Northern Ireland Newsletter 11 May 2009.* Department for Employment and Learning, Belfast.

Devins, D., Nunn, A., Stewart, J. (2009) *Review of Employer Collective Measures: Policy Prioritisation: Evidence Report 9.* UK Commission for Employment and Skills, Wath-upon-Dearne.

Department for Education and Employment (2002) *Quinquennial Review of Investors in People UK.* Department for Education and Employment, Nottingham.

Department for Education and Skills (2005) *Skills: Getting on in business, getting on at work.* The Stationery Office, London.

Department for Innovation, Universities and Skills (DIUS) (2007) *World class skills: Implementing the Leitch Review of skills in England.* The Stationery Office, Norwich.

- - - (2008a) *Ready to work, skilled for work.* Department for Innovation, Universities and Skills. The Stationery Office, Norwich.

- - - (2008b) *Unlocking Britain's talent.* Department for Innovation, Universities and Skills. The Stationery Office, Norwich.

- - - (2009a) *Skills for life.* Department for Innovation, Universities and Skills. The Stationery Office, Norwich.

Douglas, A., Kirk, D., Brennan, C., Ingram, A. (1999) 'The impact of Investors In People on Scottish Local Government Services', *Journal of Workplace Learning*, Vol. 11, No. 5, pp. 164-169.

Emberson, M. and Winters, J. (2000) 'Investors in People: how a large public sector organisation in the UK dealt with a new national training initiative,' *International Journal of Training and Development*, Vol. 4, No. 4, pp. 259-271.

Fernandez, R., Taylor, S., and Bell, E. (2005) *How long until we get there? A survival analysis of the Investors in People Initiative 1991-2001.* Skope Research Paper Number 56.

Fraser, S. (2003) 'The impact of investors in people on small business growth: who benefits?' *Environment and planning C,* Vol. 21, No. 6, pp. 793-812.

Frontline Consultants (2009) *Evaluation of the Improvement Programme.* Frontline Consultants, Glasgow.

Grugulis, I. and Bevitt, S. (2002) 'The impact of Investors in People: a case study of a hospital trust', *Human Resource Management Journal,* Vol. 12, No. 3, pp. 44-60.

Hambeldon (2000) *Corporate Financial Performance Observed Before and After IIP Recognition.* Department for Education and Employment, Nottingham.

Harris, M. (2001) *Investors in People: It's Impact on Business Performance.* Institute of Directors Research Paper.

Hill, R., Stewart, J. (1999) 'Investors in People in small organizations: learning to stay the course?', *Journal of European Industrial Training,* Vol. 23, No. 6, pp. 286-299.

Hillage, J., Moralee, J. (1996) *The Return on Investors: Report 314.* Institute for Employment Studies, Brighton.

HM Government (2008) *Strategy for Sustainable Construction.* Business Innovation and Skills.

HM Treasury (2006) *Prosperity for all in the global economy – world class skills: Leitch Review of Skills final report.* HM Treasury, London.

Hogarth, T., Bosworth, D., Gambin, L., Wilson, R. (2009) *Review of Employer Collective Measures: Empirical Review: Evidence Report 7.* UK Commission for Employment and Skills, Wath-upon-Dearne.

Hoque, K. (2003) 'All in All, it's Just Another Plaque on the Wall: The Incidence and Impact of the Investors in People Standard', *Journal of Management Studies,* Vol. 40, No. 2, pp. 543-571.

Hoque, K. (2008) 'The impact of Investors in People on employer-provided training, the equality of training provision and the "training apartheid" phenomenon', *Industrial Relations Journal*, Vol. 39, No. 1, pp. 43-62.

Hoque, K., Bacon, N. (2008) 'Investors in People and training in the British SME sector', *Human relations*, Vol. 61, No. 4, pp. 451-482.

Hoque, K., Taylor, S., Bell, E. (2005) 'Investors in people: Market-led voluntarism in vocational education and training', *British Journal of Industrial Relations*, Vol. 43, No. 1, pp. 135-153.

IFF Research (2007) *Evaluation of the Revised IIP Standard.* IIP UK internal report.

Ipsos MORI (2007) *IIP Performance Tracking Research.* IIP UK internal report.

Ipsos MORI (2009) *IIP Performance Tracking Research*, IIP UK internal report

Ipsos MORI (2010) *IIP Performance Tracking Research*, IIP UK internal report

Jigsaw (2007) *IIP- Reaction to the New Ways of Working (NWOW) Proposals.* IIP UK internal report.

Lentell, R., Morris, B. (2001) 'The effects of Investors in People and ISO 9002 in local authority leisure facilities', *International Journal of Quality & Reliability Management*, Vol. 18, No. 4, pp. 415-430.

Learning and Skills Council (2010) *Train to Gain Employer Evaluation: Sweep 5 Research Report.* Learning and Skills Council, Coventry.

Matlay, H. (2004) 'Contemporary training initiatives in Britain: a small business perspective', *Journal of Small Business and Enterprise Development*, Vol. 11, No. 4, pp. 504-513.

Michaelis, C. and McGuire, M. (2004) *IIP Impact Assessment Scotland.* IIP UK.

Murphy, N. (2008) 'Survey: Investors in People', *IRS Employment Review,* No. 897, 16 May. p.10.

Office of Government Commerce (2009), *Promoting Skills through Public Procurement.* Office of Government Commerce, Norfolk.

Ram, M. (2000) 'Investors in People in small firms: Case study evidence from the business services sector', *Personnel Review*, Vol. 29, No. 1, pp. 69-91.

Rayton, B., Reform, R. (2007) *The Causes and Consequences of Investors in People Accreditation.* Department for Trade and Industry, London.

Scottish Government (2009) *Investors in People and Skills Utilisation.* Scottish Government, Edinburgh.

Scottish Government (2010) *Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth.* Scottish Government, Edinburgh.

Shury, J., Davies, B. and Riley, T. (2009) *Skills for the workplace: Employer perspectives: Evidence Report 1.* UK Commission for Employment and Skills, Wath-upon-Dearne.

Shury, J., Winterbotham, M., Davies, B., Oldfield, K., Spilsbury, M. and Constable, S. (2010) *National Employer Skills Survey for England 2009: Key Findings Report.* UK Commission for Employment and Skills, Wath-upon-Dearne.

Shruy J., Winterbottom, M., Davies, B. and Oldfield, K. (2010b) *National Employer Skills Survey for England 2009: Main Report.* UK Commission for Employment and Skills, Wath-upon-Dearne.

Smith, A.J., Boocock, G., Loan-Clarke, J., Whittaker, J. (2002) 'IIP and SMEs: awareness, benefits and barriers', *Personnel Review*, Vol. 31, No. 1, pp. 62-85.

Smith, A.J. and Collins, L.A. (2007) 'How does IIP deliver the lifelong learning agenda to SMEs?' *Education and Training*, Vol. 49, No. 8/9, pp. 720-731.

Smith, P.J. (2000) 'Implementing Investors in People: a case study from the NHS', *Journal of European Industrial Training*, Vol. 24, No. 5, pp. 275-280.

Smith SM (2009), 'Enhancing performance with Investors in People recognition: exploring the alleged link', *Development and Learning in Organizations*, Vol. 23, No. 2, pp. 16-18.

Smith, S.M. (2009) 'Investors in People: the chicken and the egg: HR specialists should be cautious about claims for the Standard', *Human Resource Management International Digest*, Vol. 17, No. 1, pp. 38-39.

Superbrands (2010) *Superbrands Annual 2010: An insight into some of Britain's Strongest Brands.* Superbrands (UK) Limited, London.

Tamkin, P., Cowling, M. and Hunt, W. (2008) *People and the Bottom Line.* Institute for Employment Studies, Brighton.

Tamkin, P., Giles, L., Campbell, M., Hillage, J. (2004) *Skills Pay: The Contribution of Skills to Business Success: Research Report 5.* Sector Skills Development Agency, Wath-upon-Dearne.

Tamkin, P., Hillage, J., Cummings, J., Bates, P., Barber, L., Tackey, N.D. (2000) *Doing Business Better - The Long Term Impact of IIP.* Institute for Employment Studies, Brighton.

The Work Foundation (2002) *Some of the people, some of the time - 10 years of IIP.* The Work Foundation, London.

UK Commission for Employment and Skills (2009a) *Ambition 2020: World Class Skills and Jobs for the UK.* UK Commission for Employment and Skills, Wath-upon-Dearne.

- - - (2010), *High Performance Working: A Policy Review: Evidence Report 18.* UK Commission for Employment and Skills, Wath-upon-Dearne.

- - - (2009b) *Five Year Strategic Plan 2009-2014.* UK Commission for Employment and Skills, Wath-upon-Dearne.

Unionlearn (2008) *Making the most of Investors in People: A guide for Trade Unions.* Unionlearn, London.

Welsh Assembly Government (2004) *Skills & employment action plan for Wales 2005.* Welsh Assembly Government, Cardiff.

- - - (2008) *Skills that work for Wales: A Skills & Employment Strategy & Action Plan.* Welsh Assembly Government, Cardiff.

York Consulting (2005) *Evaluation of the Small Firms Initiative.* Learning and Skills Council, Coventry.

List of previous publications

Executive summaries and full versions of all these reports are available from
<u>www.ukces.org.uk</u>

Evidence Report 1

Skills for the Workplace: Employer Perspectives

Evidence Report 2

Working Futures 2007-2017

Evidence Report 3

Employee Demand for Skills: A Review of Evidence & Policy

Evidence Report 4

High Performance Working: A Synthesis of Key Literature

Evidence Report 5

High Performance Working: Developing a Survey Tool

Evidence Report 6

Review of Employer Collective Measures: A Conceptual Review from a Public Policy Perspective

Evidence Report 7

Review of Employer Collective Measures: Empirical Review

Evidence Report 8

Review of Employer Collective Measures: Policy Review

Evidence Report 9

Review of Employer Collective Measures: Policy Prioritisation

Evidence Report 10

Review of Employer Collective Measures: Final Report

Evidence Report 11

The Economic Value of Intermediate Vocational Education and Qualifications

Evidence Report 12

UK Employment and Skills Almanac 2009

Evidence Report 13

National Employer Skills Survey 2009: Key Findings

Evidence Report 14

Strategic Skills Needs in the Biomedical Sector: A Report for the National Strategic Skills Audit for England, 2010

Evidence Report 15

Strategic Skills Needs in the Financial Services Sector: A Report for the National Strategic Skills Audit for England, 2010

Evidence Report 16

Strategic Skills Needs in the Low carbon Energy generation Sector: A Report for the National Strategic Skills Audit for England, 2010

Evidence Report 17

Horizon Scanning and Scenario Building: Scenarios for Skills 2020

Evidence Report 18

High Performance Working: A Policy Review

Evidence Report 19

High Performance Working: Employer Case Studies

Evidence Report 20

A Theoretical Review of Skill Shortages and Skill Needs

Evidence Report 21

High Performance Working: Case Studies Analytical Report

Evidence Report 22

The Value of Skills: An Evidence Review

Evidence Report 23

National Employer Skills Survey for England 2009: Main Report

Evidence Reports present detailed findings of the Research and Policy Directorate of the UK Commission for Employment and Skills. The report contributes to the accumulation of knowledge and intelligence on a range of skills and employment issues through the publication of reviews and synthesis of existing evidence or through new, primary research. The Evidence Report and other outputs in the Research and Policy Analysis series can be accessed on the UK Commission's website at **www.ukces.org.uk**

Produced by the Institute for Employment Studies for the UK Commission for Employment and Skills.